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117 ACTION

CALENDA
MEETING OF
FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

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MAY 6 1991

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WEDNESDAY, MAY 1, 1991 - 2:00 P.M.

MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN

CLERK: JONI LANDRY

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

REGULAR CALENDAR

1. File 101-90-90. [Government Funding] Ordinance appropriating \$960,000, Hetch Hetchy, for legal services and non-work order services of other departments-City Attorney-Legal Services and rescinding \$960,000 from capital improvement project (Moccasin Shop Buildings); providing for ratification of action previously taken. RO #90238. (Controller)

ACTION: Hearing held. Consideration continued to 5/8/91 (executive session requested).

2. File 101-90-91. [Government Funding] Ordinance appropriating \$600,000, Department of Social Services, for refugee aid. RO #90247. (Controller)

ACTION: Hearing held. Recommended.

3. File 101-90-92. [Government Funding] Ordinance appropriating \$700,000, Department of Social Services, for adoption aid. RO #90248. (Controller)

ACTION: Hearing held. Recommended.

4. File 101-90-93. [Government Funding] Ordinance appropriating \$6,100,000, Department of Public Works - Clean Water Program, for capital improvement project (Islais Creek Transport). RO #90249. (Controller)

ACTION: Hearing held. Amended to place \$5,539,000 on reserve (beginning on line 3, after "1990-91" add "; placing \$5,539,000 on reserve"; beginning on line 15, add new "Section 2" which reads: "Funds in the amount of \$5,539,000 for construction services are hereby placed on reserve pending departmental submission of the identity of firms to be used and their MBE/WBE status, to be released by the Finance Committee.")

New Title: "[Government Funding] Ordinance appropriating \$6,100,000 for Capital Improvement Project (Islais Creek Transport), Public Works - Cleanwater Program for Fiscal Year 1990-91; placing \$5,539,000 on reserve."

Recommended as amended.

SECRET

1. The purpose of this document is to provide information on the status of the project.

2. The project is currently in the planning stage and is expected to be completed by the end of the year.

3. The project is being managed by the Project Manager and is being funded by the Government.

2. Objectives

4. The objectives of the project are to develop a new system for the management of the project.

5. The objectives of the project are to develop a new system for the management of the project.

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12. The objectives of the project are to develop a new system for the management of the project.

13. The objectives of the project are to develop a new system for the management of the project.

5. File 101-90-94. [Government Funding] Ordinance appropriating \$74,576,242, Department of Public Works - Clean Water Program, for capital improvement project (Oceanside Water Pollution Control Plant), rescinding \$54,144,008 from 1988 Sewer Revenue Bond. RO #90250. (Controller)

ACTION: Hearing held. Amended to place \$600,000 on reserve and to rescind "\$54,743,128" instead of "\$54,144,008" from 1988 sewer revenue bond (beginning on line 4 after "1990-91" add "; placing \$600,000 on reserve."; on line 3, increase "\$54,144,008" to "\$54,743,128"; and beginning on line 25, add new "Section 2" which reads: "Funds in the amount of \$600,000 for the Westside Pump Station are hereby placed on reserve pending departmental selection of the construction contractor, a contract budget, and the firm's MBE/WBE/LBE status to be released by the Finance Committee.")

New Title: "[Government Funding] Ordinance appropriating \$74,576,242, for Capital Improvement Project (Oceanside Water Pollution Control Plant), rescinding \$54,743,128 from 1988 sewer revenue bond, Public Works - Cleanwater Program for Fiscal Year 1990-91; placing \$600,000 on reserve."

Recommended as amended.

6. File 47-91-6. [Ellis-O'Farrell Public Parking Garage 1991 Lease] Ordinance approving and authorizing the execution and delivery of an Ellis-O'Farrell Public Parking Garage 1991 Lease, approving the issuance of the City of San Francisco Ellis-O'Farrell Parking Corporation Bonds, Series 1991; and authorizing and ratifying the execution and delivery of documents reasonably necessary for the issuance, sale and delivery of such bonds, all in connection with the financing of seismic retrofit improvements and the expansion of the Ellis-O'Farrell Parking Garage. (Department of Parking and Traffic)

ACTION: Hearing held. Recommended.

7. File 97-91-29. [Health Service System Plans and Rates] Ordinance amending Administrative Code Section 16.157, approving Health Service System plans and rates of contribution, as adopted by the Health Service Board. (Health Service System)

ACTION: Hearing held. Recommended (with rates approved by Health Service System 4/30/91).

8. File 114-91-4. [BBI Schedule] Ordinance amending Building Code, by amending Sections 330.1, 330.2, 330.3, 331, 332, 332.1, 332.2, 332.3, 332.4, 332.5, 333.1, 333.2 and 333.3, to increase Bureau of Building Inspection fees. (Department of Public Works)

ACTION: Hearing held. Recommended.

9. File 25-91-15. [Contracting Out City Services] Resolution concurring with Controller's certification that Children's Day Treatment Services can be practically performed for the Department of Public Health, Division of Mental Health, Substance Abuse, and Forensic Services by private contractor for lower cost than similar work services performed by City and County employees. (Department of Public Health)

ACTION: Hearing held. Recommended.

10. File 25-91-16. [Contracting Out City Services] Resolution concurring with Controller's certification that janitorial services at the Ferry Building and surrounding areas, the Agricultural Building, the Cruise Ship Terminal and at various Port Piers can be practically performed by private contractor for lower cost than similar work services performed by City and County employees. (Port)

ACTION: Hearing held. Recommended.

11. File 25-91-17. [Contracting Out City Services] Resolution concurring with Controller's certification that security services for the Port of San Francisco can be practically performed by private contractor at lower cost than similar work services performed by City and County employees. (Port)

ACTION: Hearing held. Recommended.

12. File 31-91-4. [Employee Replacement] Resolution approving immediate filling of vacated position of Classification 7242 Painter Supervisor I, Traffic Operations Division, Curb Painting/Stripping Section, Department of Parking and Traffic. RO #90233. (Department of Parking and Traffic)

ACTION: Hearing held. Recommended.

13. File 65-91-2. [Lease] Resolution authorizing and approving lease of City property located at 762 Fulton Street, Assessor's Block 781, Lots 10 and 34, formerly known as the Western Addition Community Cultural Center, to Center for African and African American Art and Culture as lessee. (Supervisor Kennedy)

ACTION: Hearing held. Recommended (to Board Meeting 5/20/91).

14. File 146-91-33. [Grant - State Funds] Resolution authorizing the Department of Health, Community Public Health Services, Family Health Bureau to accept and expend an augmentation of \$25,000 to a grant from the State Department of Health Services, Maternal Child Health Branch for perinatal services for the residents of San Francisco. (Department of Public Health)

ACTION: Hearing held. Amended on lines 5 and 10 to reduce "\$25,000" to "\$13,950".

New Title: "[Grant - State Funds] Resolution authorizing the Department of Health, Community Public Health Services, Family Health Bureau, to accept and expend an augmentation of \$13,950 to a grant from the State Department of Health Services, Maternal Child Health Branch for perinatal services for the residents of San Francisco."

Recommended as amended.

15. File 146-91-34. [Grant - Federal Funds] Resolution authorizing the Department of Health, AIDS Office, to accept and expend a supplemental award of \$936,113 from the Department of Health and Human Services, Centers for Disease Control, to augment the Aids Prevention Project. (Department of Public Health)

ACTION: Hearing held. Amended to place \$2,000 on reserve (beginning on line 3, after "project" add "; placing \$2,000 on reserve"; beginning on line 8, after "San Francisco" add "; and, be it further resolved, that funds in the amount of \$2,000 for a personal computer workstation are hereby placed on reserve pending EIPSC approval for the purchase, to be released by the Finance Committee.")

New Title: "[Grant - Federal Funds] Resolution authorizing the Department of Public Health, AIDS Office, to accept and expend a supplemental award of \$936,113 from the Department of Health and Human Services, Centers for Disease Control, to augment the AIDS Prevention Project; placing \$2,000 on reserve."

Recommended as amended.

16. File 147-91-3. [Grant - Federal Funding] Resolution authorizing the San Francisco Public Library to apply for Federal funds not to exceed \$35,000, available through the Library Services and Construction Act, Title V, for the acquisition of foreign language materials. (Public Library)

ACTION: Hearing held. Amended to authorize application for up to "\$125,000" instead of up to "\$35,000" (on line 3 increase "\$35,000" to "\$125,000" and on line 16, replace "\$35,000" with "up to \$125,000".)

New Title: "[Grant - Federal Funds] Resolution authorizing the San Francisco Public Library to apply for Federal funds not to exceed \$125,000, available through the Library Services and Construction Act, Title V, for the acquisition of foreign language materials."

Recommended as amended (indirect costs to be included in budget when "accept and expend" resolution is brought before the Finance Committee).

17. File 148-91-7. [Grant - Federal Funds] Resolution authorizing the Director of Public Works to apply for, accept and expend \$47,400,000 of Federal funds from the Federal Highway Administration for right of way acquisition and for construction of The Embarcadero Roadway Project. (Department of Public Works)

ACTION: Hearing held. Amended on page 1, line 3 and on page 2, line 4 to insert "in the amount of \$40,430,000" between the words "funds" and "from".

New Title: "[Grant - Federal Funds] Resolution authorizing the Director of Public Works to apply for, accept and expend Federal funds in the amount of \$40,430,000 from the Federal Highway Administration for Right of Way acquisition and for construction of the Embarcadero Roadway Project."

Recommended as amended.

18. File 170-91-1. [Bond Sale] Resolution authorizing and directing the sale of City and County of San Francisco \$6,500,000 principal amount of General Obligation Bonds (Public Safety Improvement Projects, 1989), Series 1991D, \$29,000,000 principal amount of General Obligation Bonds, (Various Purpose Projects), Series 1991E, \$26,400,000 principal amount of General Obligation Bonds (Public Safety Improvement Projects, 1990), Series 1991F and \$6,000,000 principal amount of General Obligation Bonds (Library Facilities Project), Series 1991G; prescribing the terms and form of said bonds; approving forms of official notice of sale of bonds and notice of intention to sell bonds; directing the publication of notice of sale and notice of intention to sell bonds; approving the official statement relating thereto; consenting to submission of bids by financing consultants; and authorizing the execution of necessary documents. (City Attorney)

ACTION: Hearing held. Amendment of the Whole (with new title as presented by City Attorney) adopted.

New Title: "[Bond Sale] Resolution authorizing and directing the sale of City and County of San Francisco \$6,500,000 principal amount of general obligation bonds (Public Safety Improvement Project, 1989), Series 1991D, \$29,000,000 principal amount of general obligation bonds, (various purpose projects), series 1991E, \$26,500,000 principal amount of general obligation bonds (public safety improvement projects, 1990), series 1991F and \$6,000,000 principal amount of general obligation bonds (library facilities project), series 1991G; prescribing the terms and form of said bonds; approving forms of official notice of sale of bonds and notice of intention to sell bonds; directing the publication of notice of sale and notice of intention to sell bonds; approving the official statement relating thereto; consenting to submission of bids by co-financial advisors; and authorizing the execution of necessary documents."

Recommended as amended.

19. File 101-90-43.1. [Release of Funds] Requesting release of reserved funds, Sheriff, in the amounts of \$5,760,120 from Proposition A reserves (Ordinance No. 41-91) and \$31,422,457 from Propositions 52 and 86 reserves (Resolution No. 191-91), in order to certify a contract for the construction of the new Sheriff's facility building in the parking lot of the Hall of Justice (Sheriff Department)

(Consideration continued from 4/24/91)

ACTION: Hearing held. Release of \$5,760,120 from Proposition A reserves (Ordinance No. 41-91) and \$31,422,457 from Propositions 52 and 86 reserves (Resolution No. 191-91), in order to certify a contract for the construction of the new Sheriff's facility building in the parking lot of the Hall of Justice recommended. Filed.

20. File 101-90-34.1. [Release of Funds] Requesting release of reserved funds, Public Utilities Commission - Water Department, in the amount of \$272,106, for the Water Department to continue Mandatory Rationing Program through the end of Fiscal Year, June 30, 1991. (Public Utilities Commission)

ACTION: Hearing held. Release of \$272,106 recommended.
Filed.

21. File 127-91-2. Hearing to consider present efforts by the Controller and Tax Collector's office to maximize revenue collections and to identify potential revenues that can be collected from potential taxpayers and actual scofflaws in regards to business registration, payroll and gross receipts tax payments. (Supervisor Gonzalez)

(Consideration continued from 4/24/91)

ACTION: Hearing held. Consideration continued to 5/22/91.

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

May 1, 1991

TO: Finance Committee

FROM: Budget Analyst

SUBJECT: May 1, 1991 Finance Committee Meeting

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Item 1 - File 101-90-90

Department: Public Utilities Commission (PUC)
Hetch Hetchy

Item: Ordinance appropriating funds for outside legal services and in-house City Attorney legal services and rescinding funds from the Capital Improvement Project related to the Moccasin Creek Shop Buildings Project, Hetch Hetchy, for Fiscal Year 1990-91. The proposed ordinance would also provide for ratification of action previously taken by the Department.

Amount: \$960,000

Source of Funds: Hetch Hetchy Operating Fund - Reallocation from previously appropriated FY 1990-91 Capital Improvement Project funds.

Description: This request would provide new contractual funding to obtain the services of Ellis, King & Prioleau, a Washington D.C. law firm, and ERM West, an engineering firm, and supplement funding to continue existing contracts with the law firms of Vinson & Elkins and Grueneich, Ellison & Schneider. Funding would also be provided for additional City Attorney staff services.

The protection of San Francisco's rights to the high-quality water provided by the Hetch Hetchy System is a high priority to the City. According to the PUC, activities pertaining to water rights have increased substantially during FY 1990-91. In addition, legal and engineering issues concerning water purchases and impending hearings by the Federal Energy Regulatory Commission (FERC) on fishery-flow requirements in the Tuolumne River are of vital concern to the City.

Details of existing and proposed contracts regarding hourly rates, estimated hours, and MBE/WBE status are as follows:

New Contract

| | |
|---|--------------------|
| Ellis, King and Prioleau (Wash., D.C., Legal Svcs.) | \$60,000 |
| Hourly Rate: | \$77 Average |
| Estimated No. of Hours: | 779 |
| MBE/WBE/LBE Status: | None |
| Period of Performance: | Thru June 30, 1992 |

New Contract

| | |
|---------------------------------|------------------|
| ERM West (Engineering Services) | \$250,000 |
| Hourly Rates: | \$50-\$125 |
| Estimated No. of Hours: | 2,941 |
| MBE/WBE/LBE Status: | None |
| Period of Performance: | Approx. One Year |

Supplemental Funding to Existing Contract

| | |
|---|--------------------|
| Grueneich, Ellison & Schneider (Legal Services) | 100,000 |
| Hourly Rates: | \$131 Average |
| Estimated No. of Hours: | 763 |
| MBE/WBE/LBE Status: | LBE |
| Period of Performance: | Thru June 30, 1991 |
| Existing Contract Amount: | \$494,000 |

Supplemental Funding to Existing Contract

| | |
|--|--------------------|
| Vinson & Elkins (Legal Services, Wash. D.C.) | 300,000 |
| Hourly Rates: | \$122 Average |
| Estimated No. of Hours: | 2,459 |
| MBE/WBE/LBE Status: | None |
| Period of Performance: | Thru June 30, 1991 |
| Existing Contract Amount: | \$300,000 |

| | |
|---------------------------|----------------|
| Services of City Attorney | <u>250,000</u> |
|---------------------------|----------------|

| | |
|-------|------------------|
| Total | <u>\$960,000</u> |
|-------|------------------|

Hetch Hetchy proposes to reallocate previously budgeted capital project funds from the proposed renovation of the Moccasin Creek Shop Buildings project to fund the needed legal services. Hetch Hetchy would defer the Moccasin Creek Shop Buildings Project until sufficient funding is available. According to Mr. Carlos Jacobo of the PUC, Hetch Hetchy has not requested any additional funds for the Moccasin Creek Shop Buildings Project in the FY 1991-92 budget.

Comments:

1. The law firm of Vinson & Elkins has already incurred expenditures under the proposed modification to their existing contract. Therefore, Hetch Hetchy is requesting ratification of action previously taken.

2. According to Mr. Jacobo, ERM West and Ellis, King and Prioleau were selected through a Request for Qualifications process performed by the City Attorney's Office and Hetch Hetchy staff and reviewed by the PUC's Contract Compliance Officer. The Public Utilities Commission approved award of the proposed contracts on March 29, 1991. Mr. Jacobo reports that Ellis, King and Prioleau is a Washington, D.C., based minority owned legal firm and that 25 percent of the engineering contract with ERM West would be allocated to minority subcontractor firms.

3. There are currently four City Attorney staff members working on the "Water Rights Team" including one staff member who was added to the Team in October of 1990 at Hetch Hetchy's request. An FY 1990-91 cost summary of City Attorney services billed to and budgeted for Hetch Hetchy is as follows:

Services of City Attorney

| | |
|--|------------------------|
| Budget | \$445,932 ¹ |
| Projected expenditures as of 2/4/91 (Hetchy only) | (511,570) |
| Projected expenditures as of 2/4/91 (BLH&P) ² | (12,106) |
| Hetchy's share of PUC's expenditures as of 2/4/91 | (61,542) |
| Additional Attorney added at Hetchy's request (October 1990) | <u>(107,750)</u> |
| Projected Shortfall | (\$247,036) |

Mr. Jacobo reports that FY 1991-92 funding for Services of the City Attorney for water rights issues is included in the Hetch Hetchy and the PUC FY 1991-92 budget requests. Mr Jacobo further reports that the PUC would request that the Controller's Office carry forward funding approved in this

¹\$377,892 in the PUC's budget and \$68,040 in Hetch Hetchy's budget.

²Bureau of Light, Heat and Power

supplemental appropriation for contractual services to be performed during FY 1991-92.

4. Based on the above cost summary, additional funding for City Attorney services can be reduced from \$250,000 to \$247,036, or by \$2,964.

Recommendation: Reduce the supplemental appropriation amount by \$2,964 from \$960,000 to \$957,036 and approve the proposed legislation as amended.

Memo to Finance Committee
May 1, 1991

Item 2 - File 101-90-91

Department: Department of Social Services (DSS)

Item: Supplemental Appropriation for Refugee Aid, Department of Social Services for Fiscal Year 1990-91.

Amount: \$600,000

Source of Funds: Federal Refugee Aid

Description: Estimates by the DSS, the Mayor's Office and the Controller indicate that the Department will overspend its budgeted 1990-91 appropriation of \$1,000,000 for refugee aid. The Department had projected a declining caseload for FY 1990-91, and therefore budgeted \$1,000,000 for FY 1990-91, a decrease of approximately \$550,000 from the FY 1989-90 budgeted level. However, DSS reports that refugee aid caseloads have not declined at the levels originally projected for FY 1990-91, resulting in the projected deficit in the refugee aid account. The proposed supplemental appropriation would provide an additional \$600,000 for aid to refugees resettling in the United States. These supplemental funds would be provided by the Federal Government pursuant to the Refugee Act of 1980. Refugee aid is fully funded by the Federal Government.

The proposed supplemental appropriation would authorize DSS to submit refugee aid claims to the Federal Government for up to an additional \$600,000.

Comments:

1. The Budget Analyst has reviewed the caseload and cost projections for refugee aid, as provided by the DSS. Except for an increase in August of 1990, the monthly caseload for refugee aid has steadily declined from 451 cases in July, 1990, to 217 cases in March, 1991, a decrease of 51.9 percent. Similarly, the monthly expenditures on refugee aid have decreased from \$162,257 in July, 1990, to \$92,628 in March, 1991, a reduction of 42.9 percent. Based on current rates of expenditure and assuming the refugee aid caseload stabilizes at 217 cases per month, the Budget Analyst estimates that DSS will spend \$1,485,000 on refugee aid in FY 1990-91, which would require an additional appropriation of \$485,000 (\$1,485,000 less budget of \$1,000,000). The amount of \$485,000 is \$115,000 less than the \$600,000 supplemental appropriation requested.

2. However, Ms. Sally Kipper of DSS states that the Department expects caseloads to begin increasing due to a recent influx of Russian immigrants and therefore has requested the greater \$600,000 amount to cover the expected increase in caseloads. In order to claim from the Federal Government the total \$600,000 that would be authorized by the proposed ordinance, DSS would have to sustain an average caseload of 345 cases per month for the period April through June, 1991, or 59 percent more than the caseload level of 217 for the month of March, 1991. Even if monthly caseloads increased by 25 percent to 271 cases per month over the remaining three months, or approximately the caseload experienced in February, 1991, DSS would need an estimated \$555,000, or \$70,000 more than the \$485,000 originally projected by the Budget Analyst. The amount of \$555,000 would be \$45,000 less than the \$600,000 requested by DSS. The Budget Analyst believes that DSS is more likely to experience a caseload level of 271 cases per month than 345 cases per month, as estimated by DSS.

3. Although the Budget Analyst does not believe the monthly caseload will be as high as 345 cases, DSS only receives reimbursement for actual refugee cases claimed to the Federal Government, and the proposed appropriation would only allow DSS to claim up to \$600,000 in additional refugee aid reimbursements. Since any expenditures on refugee aid are reimbursed by the Federal Government, the proposed legislation would provide the Department with sufficient budgetary authorization to pay refugee aid claims through the end of FY 1990-91.

Recommendation: Approve the proposed ordinance.

Memo to Finance Committee
May 1, 1991

Item 3 - File 101-90-92

Department: Department of Social Services (DSS)

Item: Supplemental Appropriation for Adoption Aid, Department of Social Services for Fiscal Year 1990-91. The proposed legislation also provides for ratification of action previously taken.

Amount: \$700,000

Source of Funds: Aid for Adoption of Children, State Department of Social Services

Description: Estimates by the DSS, the Mayor's Office, and the Controller indicate that the Department will overspend its fiscal year 1990-91 appropriation of \$2,000,000 for Adoption Aid. The proposed supplemental appropriation would provide an additional \$700,000 for Adoption Aid for children in order to meet the projected budget deficiency. Adoption Aid for children is fully funded by the State.

The proposed supplemental appropriation would authorize DSS to submit Adoption Aid claims to the State for an additional \$700,000.

Comments: The Budget Analyst has reviewed the caseload and cost projections for Adoption Aid for children, as provided by the DSS. Based on current rates of expense and caseload trends, we estimate that DSS will spend \$2,688,000 on Adoption Aid for children in FY 1990-91, which would require an additional appropriation of \$688,000 (\$2,688,000 less budget of \$2,000,000). The amount of \$688,000 is \$12,000 less than the \$700,000 supplemental appropriation requested. Because DSS only receives reimbursement for actual adoption cases claimed to the State, this supplemental appropriation request to fund the projected budget deficiency is reasonable.

Recommendation: Approve the proposed ordinance.

Memo to Finance Committee
May 1, 1991

Item 4 - File 101-90-93

Department: Department of Public Works (DPW),
Clean Water Program (CWP)

Item: Supplemental appropriation ordinance for a capital improvement project.

Amount: \$6,100,000

Source of Funds: 1988 Sewer Revenue Bond Fund

Project: Islais Creek Transport Storage Facilities Project

Description: In the early 1970s the City of San Francisco developed a long-range plan to construct facilities for control of combined sewage overflows from the City's sewer system. This plan, known as the Master Plan, was approved in concept by the Board of Supervisors on January 27, 1975. This Master Plan identified the Islais Creek Transport Storage Facilities as one of its key elements for control of Bayside overflows. The Board also adopted the Negative Declaration for the Islais Creek Transport Storage Facilities on May 25, 1989 (Resolution 374-89). The Board approved the Facility Plan for the construction of the Islais Creek Facilities on May 25, 1989 (Resolution 375-89).

The Islais Creek Transport Storage Facilities will correct the problem of wet weather combined sewage and rainwater overflow into the Bay at Islais Creek. The Islais Creek Facilities will be constructed in four separate contracts. The proposed ordinance would fund the first contract, which would consist of a 360-foot long 20-foot wide by 35-foot deep transport storage structure. The proposed first contract would be only one small portion of the total approximately 12,000 feet of structure to be constructed eventually.

The DPW intends to request authorization from the Board of Supervisors to apply for, accept and expend State Revolving Loan funds from the State Water Resources Control Board for the construction of the Islais Creek Transport Storage Facility. Because the loan funds are not expected to become available until July, 1991 or later, the DPW is requesting that the City provide the upfront funding through the 1988 Sewer Revenue Bond Fund. When the loan funds become available, DPW will reimburse the City for eligible expenditures.

| | | |
|------------------------|-----------------------|----------------|
| Project Budget: | Construction | \$5,035,000 |
| | Contingencies (10%) | <u>504,000</u> |
| | Subtotal Construction | \$5,539,000 |
| | Non-construction | <u>558,966</u> |
| | Total | \$6,097,966 |

The \$558,966 budgeted for non-construction costs would fund the following:

Contractual Services

Deleuw Cather

| | | |
|-------------------------|---------------|-----------|
| Project Management | \$10,000 | |
| Scheduling & Monitoring | 26,752 | |
| On-site Inspection | 22,093 | |
| Change Orders | 27,043 | |
| Specialized Inspection | 10,000 | |
| Geotechnical Design | <u>10,000</u> | |
| Subtotal Deleuw Cather | | \$105,888 |

Business Development Incorporated

| | |
|---------------------|----------|
| Project Management: | |
| Affirmative Action | \$41,776 |

Clean Water Program

| | | |
|---|--------------|-----------|
| Project Management | \$50,392 | |
| On-site Inspections | 110,019 | |
| Progress Payments | 23,503 | |
| Change Orders | 55,790 | |
| Request for Information (more detailed contract specifications) | 26,971 | |
| Record Drawings | 2,104 | |
| Shop Drawing Review | <u>2,020</u> | |
| Subtotal Clean Water Program | | \$270,799 |

DPW- Bureau of Engineering

| | | |
|---|--------------|----------|
| Material Testing | \$32,872 | |
| Change Orders | 6,780 | |
| Request for Information (more detailed contract specifications) | 2,664 | |
| Controls Surveying | 10,700 | |
| Specialized Inspection | 2,193 | |
| Shop Drawing Review | 4,509 | |
| Dewatering & Shoring | <u>3,291</u> | |
| Subtotal Bureau of Engineering | | \$63,009 |

Work Order to the Department of Parking and Traffic (DPT)

| | | |
|------------------------|--------------|----------|
| Change Orders | 4,541 | |
| Specialized Inspection | 8,229 | |
| Shop Drawing Review | <u>2,768</u> | |
| Subtotal DPT | | \$15,538 |

Work Order to the Bureau of Water Pollution Control (BWPC)

| | | |
|------------------------|--|----------|
| Specialized Inspection | | \$50,000 |
|------------------------|--|----------|

Work Order to City Attorney

| | | |
|-----------------------------|--------------|---------|
| Permits and Approvals | \$1,452 | |
| Consultant Hiring | 1,452 | |
| Ineligible Legal Services** | 2,600 | |
| Change Orders | <u>1,452</u> | |
| Subtotal City Attorney | | \$6,956 |

| | | |
|---------------------|--|--------------|
| Other Direct Costs* | | <u>5,000</u> |
|---------------------|--|--------------|

| | | |
|------------------------------|--|-----------|
| Total Non-Construction Costs | | \$558,966 |
|------------------------------|--|-----------|

* Includes lab work done outside the Department.

** Reviewing contracts

Comments:

1. Mr. Harold Coffee of DPW's Clean Water Program reports that the DPW has not yet issued an Invitation for Bids to acquire the necessary contractual services to perform the construction phase of the Islais Creek Transport Storage Facilities Project. As such, DPW cannot, at this time, identify which firms will be used, and cannot determine the MBE/WBE status of the firms. Therefore, the Budget Analyst recommends that the authorization to expend the \$5,539,000 for contractual services be reserved pending DPW's submission of the identity of the firm(s) DPW contracts with and the MBE/WBE status of the firms.

2. Deleuw Cather and Business Development Incorporated are consultants on the master contract agreement with the DPW. Deleuw Cather is a construction management firm and Business Development Incorporated does liaison work between the Department and the community and assists in identifying MBE/WBE firms with whom DPW can contract. Deleuw Cather is a LBE firm and Business Development Incorporated is a City certified MBE firm.

Recommendation: Reserve the \$5,539,000 for contractual services pending DPW's submission of the identity of the firm(s) DPW contracts with and the MBE/WBE status of the firms. Approve the proposed ordinance as amended.

Item 5 - File 101-90-94

Department: Department of Public Works (DPW),
Clean Water Program (CWP)

Item: Ordinance appropriating State loan funds to DPW's Clean Water Program for the Oceanside Water Pollution Control Plant's capital improvement project and rescinding \$54,144,008 from the 1988 Sewer Revenue Bond.

Amount: \$74,576,242

Source of Funds: State Revolving Loan Fund

Description: The proposed ordinance would appropriate funds for the continued construction of the Oceanside Water Pollution Control Plant located adjacent to the San Francisco Zoo. Responding to a mandate from the Regional Water Quality Control Board and the Environmental Protection Agency (EPA), the City and County must complete and begin operating the Oceanside Water Pollution Control Plant by January of 1994. \$20,432,234 of the proposed \$74,576,242 supplemental appropriation would fund: 1) the continued construction of the Oceanside Water Pollution Control Plant, 2) modification of the existing Westside Pump Station Facilities to redirect sewage flows now being pumped to the existing Richmond Sunset Treatment Plant to the new Oceanside Plant and 3) procurement of a computer system for the Oceanside and Southeast Water Pollution Control Plants. The remaining \$54,144,008 was advanced from the 1988 Sewer Revenue Bond Fund monies to fund the first phases of the Oceanside Water Pollution Control Plant. These latter monies would now be returned to the 1988 Sewer Revenue Bond Fund through the appropriation of the State loan fund monies.

The Board of Supervisors authorized the DPW to apply for and accept the proposed \$74,576,242 in State loan funds in December, 1989 (Resolution 962-89).

BOARD OF SUPERVISORS
BUDGET ANALYST

| Project Budget: | <u>Project</u> | <u>Amount</u> |
|------------------------|--|----------------------|
| | <u>Oceanside Plant Construction</u> | |
| | <u>Consultant Services</u> | |
| | CH2M Hill | \$3,395,878 |
| | CH2M Hill | |
| | (Software Design) | 610,372 |
| | Hydro Consultant | 6,300 |
| | Environmental Science | |
| | Association (ESA) | <u>400,000</u> |
| | Subtotal | \$4,412,550 |
| | <u>Clean Water Program</u> | |
| | Construction Management | \$3,673,620 |
| | Project Management | <u>228,751</u> |
| | Subtotal | 3,902,371 |
| | <u>DPW</u> | |
| | Bureau of Engineering | \$131,417 |
| | Bureau of Water | |
| | Pollution Control | <u>147,062</u> |
| | Subtotal DPW | 278,479 |
| | Department of Parking and Traffic | 14,751 |
| | City Attorney | 2,900 |
| | <u>Recreation & Park Department & Zoo Mitigation</u> | |
| | Zoo Avian Center | |
| | Relocation | 167,497 |
| | SF Zoo's Change Orders | 150,000 |
| | D. Anderson, Zoo Director | <u>84,000</u> |
| | Subtotal | 401,497 |
| | Recreation Center for the Handicapped | 12,000 |
| | Subtotal Additional Costs for the Oceanside Plant Construction | \$9,024,548 |
| | <u>Deletions from the Original Oceanside Plant Construction Budget (See Comment 1 below)</u> | |
| | Archaeologist | (\$10,000) |
| | Deleuw Cather | (678,785) |
| | CWP-- | |
| | Civil & Mechanical Engineering (93,659) | |
| | Subtotal Budget Deletions | <u>(\$782,444)</u> |
| | Subtotal Oceanside Plant Construction | \$8,242,104 |

BOARD OF SUPERVISORS
BUDGET ANALYST

| | | |
|-----------------------------------|----------------|---------------------|
| Westside Interface Project | | |
| Contractual Services | | \$600,000 |
| Computer System | | |
| Fischer & Porter Company | \$4,065,000 | |
| Beard Corporation | 135,000 | |
| Ocampo-Talao | 580,000 | |
| Contingency | 478,000 | |
| Software Design | | |
| CH2M Hill | 3,250,500 | |
| Deleuw Cather | 431,713 | |
| CWP | 1,323,382 | |
| Engineer Services | | |
| CH2M Hill | 363,707 | |
| CWP | <u>363,708</u> | |
| Subtotal Computer System | | <u>\$10,991,010</u> |
| Total Budget | | \$19,833,114 |

Comments:

1. \$10,000 was originally budgeted for an archaeologist in case there was a archaeological discovery in the excavation. The DPW reports an archaeological discovery was not found in the excavation. As a result, an archaeologist was not needed. The \$678,785 budgeted for Deleuw Cather was for construction management services that have now been shifted over to CH2M Hill. Thus, \$678,785 was deleted for Deleuw Cather. The \$93,659 budgeted for CWP Civil and Mechanical Engineering has been shifted over to the Construction Management Division of the Clean Water Program.

2. An automated computer control system is required to provide computer control and monitoring functions for the Oceanside Treatment Plant as well as to link the other Westside Storage and Transport facilities to the Oceanside Treatment Plant. The DPW selected a computer manufacturing company through a prequalifications process. A total of four computer manufacturers qualified and the contract was advertised on November 15, 1990. Bids were received from Fischer & Porter and Foxboro Company. Fischer & Porter had the lowest bid. Fischer & Porter is neither a MBE/WBE nor a LBE firm. Fischer & Porter will subcontract 12 percent of the contract to Ocampo-Talao, a City-certified MBE firm and three percent of the contract to Beard Corporation, a City-certified WBE firm.

BOARD OF SUPERVISORS
BUDGET ANALYST

3. DPW has not selected a contractor to provide construction services for the modification of the Westside Pump Station facilities. As such, the \$600,000 budgeted for contractual services for the Westside Interface Project should be placed on reserve pending selection of the firm for the construction services, a budget for the contract and the firm's MBE/WBE/LBE status.

4. DPW has selected CH2M Hill, the primary contractor from the first phases of the Oceanside Water Pollution Control Plant, to perform the construction of the Oceanside Water Pollution Control Plant and to prepare the monitoring and operating software for the proposed computer system. CH2M Hill was selected in 1987 through a RFQ process. ESA was selected through a RFQ process in October, 1990. The Hydro Consultant has a master agreement with the Department as a hydrologist consultant. Deleuw Cather also has a master agreement with the Department as a construction management consultant. CH2M Hill is neither a MBE/WBE nor a LBE firm. CH2M Hill is, however, subcontracting 15.9 percent of the contract to a City-certified firm and 2.6 percent of the contract to a City-certified WBE firm. ESA is a LBE firm but is not a MBE/WBE firm. ESA is subcontracting 25 percent of the contract to a City-certified MBE firm and five percent of the contract to a City-certified WBE firm. The Hydro Consultant is a one-man firm and is not a MBE firm nor a LBE firm and is not subcontracting with MBE or WBE firms.

5. The \$401,497 budgeted for the Recreation and Park Department and the Zoo Mitigation was part of the Environmental Impact Report's (EIR) mitigation agreements. For example, the Zoo Avian Center, a breeding facility for endangered species, is part of the location of the Oceanside Water Pollution Control Plant. The EIR stipulated that the DPW would have to fund the relocation of the Avian Center. Similarly, the Recreation Center for the Handicapped is located near the construction sight. The EIR requires the DPW to ensure accessibility to the Recreation Center for the Handicapped during the construction period.

6. Mr. David Anderson, the Zoo Director, lived in a home on Zoo property. The EIR found that the noise level from the construction of the Oceanside Water Pollution Control Plant would double at the Zoo Director's house. As such, the Recreation and Park Commission at their meeting on February 15, 1990 requested by Resolution 15618 that the CWP provide temporary residence during construction of the Oceanside Water Pollution Control Plant. The relocation of the Zoo Director would be for approximately three and a half years at a cost of \$2,000 a month for rent for a total requested appropriation of \$84,000. The Recreation and Park Commission required the temporary relocation of the Zoo Director as one of the conditions of approval for construction of the Oceanside Water Pollution Control Plant (Resolution 15306). Ms. Deborah Learner of the Recreation and Park Department advises that the Department has an understanding with the Director that the Department would provide housing for the Zoo Director, initially on the Zoo's property. However, because the house on the Zoo's property has been considered inhabitable due to the construction noise, the Department believes it has an obligation to relocate the Zoo Director to another home. The Budget Analyst believes that remuneration of Department heads through supplementary stipends such as housing is a policy matter for the Board of Supervisors.

7. In accordance with City Charter Section 7.300(6), the City may seek State loan funds or guaranteed bonds for such purposes as protecting and preserving the environment if such borrowing would be the most cost-effective method of financing. Charter Section 7.300 (6) requires that the Board of Supervisors determine that obtaining a State loan is the most cost effective financing method based on a recommendation by the Chief Administrative Officer (CAO). The CAO has advised the Board of Supervisors that a State loan for approximately \$74.5 million is the most cost-effective method of securing financing for the proposed Oceanside Water Pollution Control Plant Project. Based on a twenty-year amortization schedule prepared by the CAO comparing a State loan having a 3.5 percent interest rate against a General Obligation Bond having an interest rate of 7.5 percent, the City would save approximately \$45 million by obtaining a State loan over a 20-year period.

BOARD OF SUPERVISORS
BUDGET ANALYST

8. The City must pay back this State loan at \$5.2 million annually beginning one year after the City borrows the first dollar, which was in July, 1990. Therefore, the first payment is due in July of 1992. The source of this loan repayment would be the earned interest from the invested 1988 Sewer Revenue Bonds.

9. The DPW has received Electronic Information Processing Steering Committee (EIPSC) approval for the proposed computer system.

10. The DPW reports that the computer system contract is \$599,120 less than the \$11,590,130 originally budgeted for the computer system. As a result, the total budget for continued construction of the Oceanside Water Pollution Control Plant is reduced from \$20,432,234 to \$19,833,114. The \$599,120 would be returned to the 1988 Sewer Revenue Bond Fund. Therefore, the proposed ordinance should be amended to rescind an additional \$599,120 from the 1988 Sewer Revenue Bond or \$54,743,128 instead of \$54,144,008 as the proposed ordinance now reads.

Recommendations: 1. Approval of the \$84,000 budgeted for housing rental costs for three and one half years for the Zoo Director is a policy decision for the Board of Supervisors.

2. Amend the proposed ordinance to 1) reserve the \$600,000 budgeted for the Westside Pump Station Project pending DPW's selection of the firm for the construction services, a budget for the contract and the firm's MBE/WBE/LBE status, and 2) rescind \$54,743,128 instead of \$54,144,008 as the proposed ordinance now reads. Approve the proposed ordinance as amended.

Item 6 - File 47-91-6

Department: Department of Parking and Traffic

Item: Ordinance approving and authorizing an Ellis-O'Farrell Public Parking Garage 1991 lease; approving the issuance of the City of San Francisco Ellis-O'Farrell Parking Corporation Bonds, Series 1991; and authorizing and ratifying the execution and delivery of documents reasonably necessary for the issuance, sale and delivery of such bonds, in connection with the financing of seismic retrofit improvements and the expansion of the Ellis-O'Farrell Parking Garage.

Description: The Ellis-O'Farrell Parking Garage, located at 123 O'Farrell Street, is a City-owned facility, which is operated on behalf of the City by the City of San Francisco Ellis-O'Farrell Parking Corporation, a non-profit corporation. The City acquired the garage in 1964 with funds obtained through the sale of bonds issued by the City of San Francisco Ellis-O'Farrell Parking Corporation. The garage has 912 parking spaces and currently serves approximately 66,690 vehicles per month. The City's current lease with City of San Francisco Ellis-O'Farrell Parking Corporation expires, at the outside, in the year 2015. The lease contains a provision which permits the lease to be terminated earlier than 2015, upon full payment of all outstanding bonds. The Department of Parking and Traffic anticipates that the current outstanding bonds will be paid in full within approximately two years.

The Department of Parking and Traffic reports that the garage was constructed in 1957 and does not meet current seismic code requirements. According to the Department, the garage incurred significant structural damage in the October, 1989 earthquake. The engineering firm of H. J. Degenkolb, which was hired by the Department to perform a survey of the garage, concluded that the garage could suffer severe damage and possible collapse under future seismic shocks of the magnitude of the 1989 earthquake. The firm recommended that the garage be retrofitted to meet current seismic code requirements.

The Department of Parking and Traffic also reports that patronage at the Ellis-O'Farrell Public Parking Garage has increased by about 80 percent in the last ten years from approximately 446,000 vehicles annually in 1980 to approximately 800,000 vehicles annually in 1990. According to the Department, the garage fills up during peak shopping periods, which results in potential patrons being turned away. As such, the Department has determined that there is a need to expand the garage. The garage currently has seven

BOARD OF SUPERVISORS
BUDGET ANALYST

levels of parking. The proposed expansion project would involve the construction of an additional two and one-half levels of parking on top of the existing seven levels. The parking capacity of the garage would be increased by 376 spaces or 41 percent, from 912 parking spaces to a total parking capacity of 1,288 parking spaces.

The City of San Francisco Ellis-O'Farrell Parking Corporation is recommending that the seismic upgrade and expansion of the garage be financed through its sale of parking revenue bonds and the use of existing garage reserve revenues. The total estimated project costs under the Corporation's proposal is \$9,123,000. Of this amount, \$2,200,000 would be funded from existing garage reserve revenues, \$6,550,000 from the proceeds from the proposed sale of parking revenue bonds and \$373,000 from interest earned during the project's construction.

The budget for this \$9,123,000 project, including the additional parking stalls and the seismic upgrade, is as follows:

| | | |
|----------------------------|----------------|------------------|
| Construction Cost | \$6,064,000 | |
| Construction Contingency | 305,000 | |
| Design Contingency | <u>553,000</u> | |
| Subtotal | | \$6,922,000 |
| Architectural/Engineering | 565,000 | |
| Inspection/Testing | 100,000 | |
| Costs of Bond Issuance | 200,000 | |
| Reserve Fund* | 651,000 | |
| Interest-Construction** | 548,000 | |
| Underwriting Discount (2%) | <u>137,000</u> | |
| Subtotal | | <u>2,201,000</u> |
| Total Project Cost | | \$9,123,000 |

* This Reserve Fund constitutes a contingency fund for the bonds in the event that insufficient revenues are generated for payment of interest and redemption payments.

** Interest-Construction funds would be used to pay interest owed on the bonds during the construction of the garage facility.

Comments:

1. The Department of Parking and Traffic reports that the bond interest and redemption payments for the proposed revenue bonds would be financed by garage revenues. According to the Department, no financial interest or guarantee from the City would be required. Based on a

BOARD OF SUPERVISORS
BUDGET ANALYST

financial feasibility report prepared by Barton-Aschman Associates, Inc., garage revenues generated from parking fees and existing commercial leases will be sufficient to permit the City of San Francisco Ellis-O'Farrell Parking Corporation to meet its bond interest and redemption payments. The Barton-Aschman report assumed that parking garage rates would be increased to provide a 25 percent increase in gross revenues. The current annual gross revenue from the garage is \$2,645,174. Of the current revenues, \$1,668,933 is paid for operating costs, \$616,625 for debt, taxes and corporate disbursements and \$359,616 would accrue to a reserve fund for garage improvements. With the additional 376 new parking stalls, the estimated gross revenues from the garage, including the revenues from the commercial leases would be \$2,968,000 for FY 1992-93, an increase of approximately \$322,826 from current annual revenues. The Department of Parking and Traffic reports that the Department will submit a request to the Board of Supervisors to set new parking rates by the beginning of 1992. The new parking rates would take effect after construction on the garage has been completed.

The current parking rates and the anticipated increased rates are as follows:

| <u>Current Rates</u> | | <u>Anticipated Rates</u> | |
|----------------------|---------|--------------------------|--------|
| 1 hr. | \$ 0.75 | 1 hr. | \$0.95 |
| 2 hrs. | 1.25 | 2 hrs. | 1.55 |
| 3 hrs. | 2.50 | 3 hrs. | 3.15 |
| 4 hrs. | 4.50 | 4 hrs. | 5.65 |
| 5 hrs. | 7.50 | 5 hrs. | 9.40 |
| 6 hrs. | 10.50 | 6 hrs. | 13.15 |
| 7 hrs. | 13.50 | 7 hrs. | 16.85 |
| 24 hrs. | 20.00 | 24 hrs. | 20.00 |
| 6 pm (nite) | 2.50 | 6 pm (nite) | 3.15 |

The Department of Parking and Traffic advises that in order for the Corporation to sell its bonds, it will be necessary for the Corporation to enter into a new lease agreement with the City. This new lease, along with the revenues generated by the garage, would constitute the security for the Corporation's bonds.

3. The proposed legislation would permit the City of San Francisco Ellis-O'Farrell Parking Corporation to issue bonds in an amount not to exceed \$8,000,000 and would authorize the execution of an Ellis-O'Farrell Public Parking Garage 1991 lease, in connection with the financing of the seismic upgrade and expansion of the Ellis-O'Farrell Parking

BOARD OF SUPERVISORS
BUDGET ANALYST

including one year of construction. The anticipated interest rate would be 8 to 8 1/2 percent based on present market conditions. The annual debt service, assuming an 8 percent interest rate and a 24 year amortization period would total (principal and interest) \$622,000.

4. Mr. Kevin Hagerty of the Department of Parking and Traffic reports that it is anticipated that construction on the garage would commence at the beginning of 1992. Mr. Hagerty, advises that the garage would not be closed during construction and that steps would be taken to minimize the impact on available parking space.

5. A Final Negative Declaration, which determined that the proposed construction on the Ellis-O'Farrell Parking Garage would not have a significant impact on the environment, was adopted and issued on November 27, 1990 by the Department of City Planning's Office of Environmental Review.

Recommendation: Approve the proposed ordinance.

Item 7 - File 97-91-29

1. The proposed ordinance would amend Section 16.157 of the Administrative Code to approve the City's FY 1991-92 Health Service System plans and rates of contribution as adopted by the Health Service Board to be paid by the members of the system. The members of the system are comprised of employees, retirees, and the surviving spouses of employees and retirees of the City and County of San Francisco, the San Francisco Unified School District and the Community College District.

2. In February, 1991, the Board of Supervisors adopted a resolution (File 78-91-1) setting the City's contribution to the Health Service System Fund for FY 1991-92 at \$162.73 per month for each member. The City's contribution was established in accordance with Charter Sections 8.423 and 8.428, which sets the average contribution rate based on a survey of the ten most populous counties in California. The City's contribution of \$162.73 per month (\$1,952.76/year) represents a 14.4 percent increase over the FY 1990-91 rate of \$142.24 per month (\$1,706.88/year).

3. Once the City's contribution is established, member contributions are calculated by the Health Service System actuary, Rael and Letson, Consulting Actuaries, in order to insure that contributions from all sources will be adequate to support anticipated claims for the upcoming fiscal year. The proposed ordinance would establish member contribution rates for FY 1991-92 pursuant to Charter Sections 8.421 and 8.422, which requires approval of the proposed ordinance by three-fourths of the members of the Board of Supervisors after the Board has secured an actuarial report of the costs and effects of any proposed change in the benefits of the Health Service System or rates of contribution. Contribution rates vary according to: (1) whether or not a member is an active employee, retired employee, or surviving spouse; (2) whether or not that individual has Medicare coverage; and (3) which of the City's six health plans that individual elects to join. The actuarial report and details of the member contribution rates are contained in the Clerk's file.

4. The same six health plans offered in FY 1990-91 will be offered in FY 1991-92. The plans are:

- City Health Plan*
- Kaiser Foundation Health Plan
- Bridgeway Health Plan
- Bay Pacific Health Plan
- Heals Health Plan
- Foundation Health Plan

* Administered by the Health Service System.

5. The total revenue generated from employer and member contributions for the health plans in 1991-92 is estimated to be \$132.5 million. A summary of revenue sources is as follows:

BOARD OF SUPERVISORS
BUDGET ANALYST

| | <u>Amount (Millions)</u> | <u>Percent of Total Contributions</u> |
|--|------------------------------|---|
| City and County Contribution | | |
| - Current Employees | \$45.7 | 34.5 |
| - Retired Employees and Surviving Spouses | 16.0 | 12.1 |
| School District/Community College District Contribution | | |
| - Current Employees | 16.2 | 12.2 |
| - Retired Employees and Surviving Spouses | <u>5.0</u> | <u>3.8</u> |
| Total Employer Contributions | \$ 82.9 | 62.6 |
| Employee Contributions | <u>49.6</u> | <u>37.4</u> |
| Total Contributions | \$132.5 | 100.0 |

6. Of the total estimated employer contributions of \$82.9 million, approximately \$40.3 million, or approximately 48.6 percent, would be contributed from the City's General Fund. The remaining \$42.6 million of employer contributions would be paid from the City's Special Funds (e.g., Airport, Port, Water Department and Hetch Hetchy) and from School District and Community College District revenue sources.

7. Mr. Randall Smith of the Health Service System advises that the employee contribution rates for health benefits for 1991-92 reflect an increase in employee contribution costs (a) due to the recent eligibility of Domestic Partners of active and retired City, School District and Community College District employees and the eligible dependent children of Domestic Partners, and (b) the overall increase in medical care costs. As indicated below, except for the City's Health Plan for single employees without dependents, all of the employee contribution costs are projected to increase. The cost increases range from \$9.88 per month (\$118.56 annually) to \$32.61 per month (\$391.32 annually). A comparison of the FY 1990-91 monthly rates for active and retired City employees with the 1991-92 rates adopted by the Health Service Board and the monthly difference in costs are as follows:

BOARD OF SUPERVISORS
BUDGET ANALYST

| | 1990-91 Monthly <u>Rates</u> | 1991-92 Monthly <u>Rates</u> | Monthly <u>Difference</u> |
|--------------------------------------|------------------------------------|------------------------------------|------------------------------|
| <u>City Health Plan</u> | | | |
| Single Employee | \$38.06 | \$38.06 | \$ 0 |
| Employee plus one dependent | 148.03 | 172.03 | 30.24 |
| Employee plus two dependents | 235.09 | 259.09 | 20.52 |
| <u>Kaiser Foundation Health Plan</u> | | | |
| Single Employee | \$ 0 | \$ 16.57 | \$ 16.57 |
| Employee plus one dependent | 128.65 | 158.89 | 30.24 |
| Employee plus two dependents | 213.58 | 234.10 | 20.52 |
| <u>Bridgeway Health Plan</u> | | | |
| Single Employee | 0 | 20.80 | 20.80 |
| Employee plus one dependent | 126.72 | 152.98 | 26.26 |
| Employee plus two dependents | 197.58 | 224.04 | 26.46 |
| <u>Bay Pacific Health Plan</u> | | | |
| Single Employee | 6.90 | 24.96 | 18.06 |
| Employee plus one dependent | 146.15 | 174.86 | 28.71 |
| Employee plus two dependents | 219.68 | 239.92 | 20.24 |
| <u>Heals Health Plan</u> | | | |
| Single Employee | 0 | 22.05 | 22.05 |
| Employee plus one dependent | 144.02 | 176.63 | 32.61 |
| Employee plus two dependents | 218.39 | 236.38 | 17.99 |
| <u>Foundation Health Plan</u> | | | |
| Single Employee | 0 | 19.48 | 19.48 |
| Employee plus one dependent | 143.30 | 163.05 | 19.75 |
| Employee plus two dependents | 236.40 | 246.28 | 9.88 |

8. Dental and disability plan contributions were established as of December 1, 1988. The dental and disability plans do not include any employer contributions. Therefore, these plans represent no cost to the City. Rather, these plans were created under Section 125 of the Internal Revenue Code which allows the City to make salary deductions from employee paychecks in order to pay individual employee's dental and disability premiums on a pre-tax basis. The projected premiums for FY 1991-92 for the City's three dental plans and the one disability plan are as follows:

| | <u>Amount</u> <u>(Millions)</u> |
|----------------------|------------------------------------|
| Colonial Life Dental | \$1.6 |
| DentiCare | 1.2 |
| Safeguard | <u>.7</u> |
| Total Dental | \$3.5 |
| Colonial Disability | \$3.4 |

As noted above, there is no cost to the City for these dental or disability plans, as the employees pay all the contributions.

Comments

1. The total estimated cost of \$132.5 million for the various health plans for FY 1991-92 includes the employer and employee contributions and represents an average increase of 17.8 percent over the FY 1990-91 costs of \$112.5 million. The projected total premium contributions (in millions) based on current plan membership for the six continuing health plans (assumes all current members continue to subscribe to the same health plans in 1991-92) are as follows:

| | <u>1990-91</u> <u>Projected</u> <u>Premiums</u> | <u>1991-92</u> <u>Projected</u> <u>Premiums</u> | <u>Percentage</u> <u>Increase</u> |
|-------------------------------|---|---|--------------------------------------|
| City Health Plan | \$38.6 | \$39.9 | 3.4 |
| Kaiser Foundation Health Plan | 48.4 | 61.4 | 26.9 |
| Bridgeway Health Plan | 12.7 | 15.9 | 25.2 |
| Bay Pacific Health Plan | 8.4 | 9.8 | 16.7 |
| Heals Health Plan | 4.3 | 5.4 | 25.6 |
| Foundation Health Plan | <u>.1</u> (\$117,685) | <u>.1</u> (\$136,448) | 15.9 |
| Total | \$112.5 | \$132.5 | 17.8 |

2. Mr. Smith reports that the City's employee unions have submitted a proposal for fiscal year 1991-92 to the Health Service Board which involves using approximately \$4.2 million of the Health Service Board's Trust Fund to pay the cost of employee contributions for the above-noted health plans for all single employees with no dependents. The Health Service Board's Trust Fund is a contingency reserve. The fund had a balance of \$17,000,000 as of the last audit for the year ending June 30, 1990. As previously noted, total employee contributions for FY 1991-92 will amount to \$49.6 million. According to Mr. Smith, the employee unions proposal to use \$4.2 million from the Health Service Board's Trust Fund to pay employee contributions for all single employees with no dependents, would have a short term negative effect on the Trust Fund. If the employee union's proposal were to be approved, it would change the rate of employee contribution for single employees with no dependents as outlined in the Health System plans and rates of contribution adopted by the Health Service Board, which is part of the

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
May 1, 1991

rates included in the subject proposed legislation. Mr. Smith advises that the Health Service Board will discuss the unions' proposal at its meeting on April 30, 1991. Mr. Smith will report on the outcome of this meeting to the Finance Committee on May 1, 1991.

Recommendations

1. If the employee unions' proposal is rejected by the Health Service Board and employee contribution rates for single employees with no dependents remains the same, the Budget Analyst recommends that the proposed legislation be approved, based on the Board of Supervisors previous approval of eligibility for Domestic Partners.

2. If the employee unions' proposal is approved by the Health Service Board and employee contribution rates for single employees with no dependents are changed, the Budget Analyst recommends that a decision by the Board of Supervisors on the proposed legislation be continued pending the Health Service System's submission of the revised plans and rates of contribution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 8 - File 114-91-4

Department: Public Works, Bureau of Building Inspection

Item: Ordinance amending Part II, Chapter 1, Sections 330, 331, 332, and 333 of the San Francisco Municipal Code (Building Code) to increase various fees imposed by the Department of Public Works, Bureau of Building Inspection (BBI).

Purpose: To increase fees relating to new construction, alterations, and related activities in order to fully recover costs of the Department of Public Works, Bureau of Building Inspection, related to the issuance of permits.

Description: The proposed ordinance would amend various sections of the San Francisco Municipal Code relating to fee increases in the Department of Public Works, Bureau of Building Inspection (BBI). BBI fees were last increased an average of 4.75 percent in September of 1990. BBI proposes to increase its fees by an average of 15 percent (refer to attachment for summary of proposed fee increases). These FY 1991-92 proposed increases are intended to offset salary standardization costs (approximately 5 percent of the average 15 percent fee increases) for BBI personnel and other new and increased costs, including the costs of State-imposed requirements.

A breakdown of the FY 1991-92 estimated cost increases as provided by BBI, and reviewed by the Budget Analyst, is as shown below.

| | |
|--------------------------------------|------------------|
| Salary Standardization | \$834,122 |
| Increased Costs: State- and locally- | |
| imposed new costs | <u>1,668,245</u> |
| Total | \$2,502,367 |

Mr. Donald McConlogue of BBI reports that newly imposed State requirements that add to BBI's costs are as shown below:

| <u>Cost of State-Imposed Requirements</u> | <u>Estimated Cost</u> |
|--|-----------------------|
| AB 1005 - Architecture/Preparing Plans | \$110,400 |
| AB 1279 - Abatement of Hazardous Buildings | 201,131 |
| AB 2791 - Demolition Permits | 9,050 |
| AB 3568 - Disaster Volunteer Corps | 133,952 |
| AB 3600 - Automatic Garage Door Openers | 133,952 |
| SB 153 - Accepting Plans from Interior Designers | 414,000 |
| SB 2778 - Local Disaster Response Plans | <u>317,904</u> |
| Total | \$1,320,389 |

BOARD OF SUPERVISORS
BUDGET ANALYST

Under the proposed ordinance, Section 330.1 would be amended to increase various building permit fees as shown on pages 1 and 2 of the attachment. Building permit fees represent the largest single source of revenues for BBI. The increases for these fees would range from 9.69 percent to 17.59 percent. The proposed fee increases would affect all building and alteration permits. In addition, the following miscellaneous permit fees would be increased under Section 330.1 (percentages and fee levels summarized in attachment):

- Sign Permits
- Bleacher Permits
- Chimney and Flue Permits
- Demolition of Building Permits
- Extra Permit Work
- Garage Door Permits
- Grading Permits
- House Moving Investigation and Permit Fee
- Recommencement of Work Not Completed
- Re-roofing Permits
- Strong Motion Instrumentation Fee
- Sub-sidewalk Construction and Use Permit Fee

All electrical permit fees would increase under the proposed amendments to Section 330.2. The increases for the electrical fees would range from 11.11 percent to 28.57 percent, with two minor exceptions concerning very low dollar amounts. Electrical fee increases are summarized on pages 2 through 5 of the attachment.

All plumbing permit fees (Section 330.3) and apartment and hotels licensing fees (Section 333.1) would be increased. Plumbing permit fee increases would range from 13.95 percent to 33.33 percent (see pages 5 and 6 of attachment), while apartment and hotels licensing fees would be increased by approximately 15 percent (see page 10 of attachment).

BOARD OF SUPERVISORS
BUDGET ANALYST

Other proposed fee increases include (amended Municipal Code Sections and attachment page numbers in parenthesis):

- Permit application and plan review fees (Section 331, pages 6-7)
- Public notification and record keeping fees (Section 332, page 7)
- Reproduction and Dissemination of Public Information (Section 332.1, pages 7-8)
- Fees for Inspections, Surveys, and Reports (Section 332.2, page 8)
- Penalties, Hearings and Code Enforcement Assessments (Section 332.3, page 9)
- Refund fees (Section 332.4, page 9)
- Miscellaneous Fees (Section 332.5, page 9)
- Hotel Conversion Ordinance fees (Section 333.2, pages 10-11)
- Energy Conservation fees (Section 333.3, page 11).

Comments:

1. The proposed fee schedules were prepared by BBI with the objective of increasing total estimated fee revenues by an overall average of 15 percent, or an estimated \$2,502,367, annually. Individual fees were rounded to the nearest quarter, half, or whole dollar to facilitate computations.

2. The Board of Supervisors approved legislation in July of 1988 establishing a Building Inspection Special Revenue Fund in which construction-related permit fees are deposited. As such, these permit fees can only be used to recover the costs of BBI. As stated above, the proposed fee increases are intended to recover increased costs of salary standardization for BBI personnel and other new and increased costs, including the costs of State-imposed requirements, that the current fees do not recover. Since FY 1988-89, BBI has accumulated approximately \$1,893,978 in operating reserves. BBI classifies these funds as "prepaid inspection fees" and uses the monies for projects related to BBI services or to complete permit processing or inspections for which fees were previously paid. Shown

BOARD OF SUPERVISORS
BUDGET ANALYST

below is the current status of BBI's "Prepaid Inspection Services Account."

**Prepaid Inspection
Services Account**

| | |
|-------------------------------------|----------------|
| Prior Years Carryforward | \$3,272,263 |
| Current Year Estimated Shortfall | (1,737,459) |
| Current Year Overhead Adjustment | (365,428) |
| FEMA/OES Reimbursements | <u>724,602</u> |
| Balance carried forward to FY 91-92 | \$1,893,978 |

3. Actual and estimated revenues and costs of BBI operations for FY 1989-90, FY 1990-91, and FY 1991-92 are summarized below:

**Comparison of BBI Revenues
With Expenditures**

| | FY 1989-90 Actual Based <u>on Existing fees</u> | FY 1990-91 Estimate Based <u>on Existing fees</u> | FY 1991-92 Budget Based on Proposed <u>Fee increases</u> |
|---|---|---|--|
| BBI Fee | | | |
| Revenues | <u>\$15,570,001</u> | <u>\$15,320,000 *</u> | <u>\$20,130,822 *</u> |
| BBI Permit Processing | | | |
| Costs | \$11,424,341 | \$13,014,460 | \$15,628,674 |
| Bureau overhead | 1,380,291 | 2,077,915 | 2,181,433 |
| Department overhead | 788,581 | 1,313,282 | 1,313,282 |
| Citywide overhead | <u>642,958</u> | <u>651,802</u> | <u>651,802</u> |
| Subtotal, costs | \$14,236,171 | \$17,057,459 * | \$19,775,191 * |
| Excess of BBI Fee Revenues Over Permit Processing Costs (projected shortfall) | \$1,333,830 | (\$1,737,459) | \$355,631 |

* Estimates based on Controller's revenue and expenditure reports and the FY 1991-92 budget as submitted to the Mayor. The FY 1990-91 final budgeted revenue amount from fees is \$16,682,455. The FY 1991-92 budgeted revenue amount from fees is \$19,184,822, which is 15 percent or \$2,502,367 more than the budgeted \$16,682,455 FY 1990-91 amount. The remainder of the increase in FY 1991-92 budgeted revenues consists of interest revenues (\$525,000) and expected revenue increases due to implementation of mechanical plan checking (\$171,000), and more efficient fee collection (\$250,000).

**BOARD OF SUPERVISORS
BUDGET ANALYST**

4. As previously stated, approximately five percent or \$834,122 of the requested FY 1991-92 permit processing and related fee increases would be imposed to recover the costs of salary standardization for BBI personnel. Should the Board of Supervisors not enact the proposed FY 1991-92 Salary Standardization Ordinance, funding for that purpose would not be required.

Recommendations:

1. As noted in Comment 2, the proposed fee increases are intended to recover the increased costs from salary standardization and other new and increased costs of BBI. In accordance with the previous policy of the Board of Supervisors to increase fees in order to recover the costs of BBI and to maintain such fees in a previously approved special fund, we recommend approval of the proposed ordinance which would enable BBI to implement proposed fee increases, assuming that the FY 1991-92 Salary Standardization Ordinance is approved by the Board of Supervisors.

2. However, if the Board of Supervisors rejects the FY 1991-92 Salary Standardization Ordinance, we recommend that this proposed legislation be continued to the call of the Chair until BBI resubmits revised legislation to increase building permit and related fees which exclude the recovery of salary standardization costs.

Summary of proposed fee increases

Attachment 1 of 11

| Section/ Fee type/ Fee level | Current | Proposed | % Chg | |
|---|---|------------|----------|--------|
| Section 330.1: Building Permit Fees | | | | |
| New Construction * | | | | |
| \$1.00-\$500 | \$17.00 | \$19.50 | 14.71% | |
| 501-2,000 | \$17.00 | \$19.50 | 14.71% | |
| 2,001-25,000 | \$54.50 | \$62.75 | 15.14% | |
| 25,001-50,000 | \$290.25 | \$333.75 | 14.99% | |
| 50,001-100,000 | \$471.50 | \$542.25 | 15.01% | |
| 100,001-500,000 | \$721.50 | \$829.75 | 15.00% | |
| 500,001-1,000,000 | \$2,321.50 | \$2,729.75 | 17.59% | |
| 1,000,000 and up | \$4,071.50 | \$4,729.75 | 16.17% | |
| Alteration Permit Fees | | | | |
| \$0 to 100,000 | 1.3 times new construction permit fee | | | |
| 100,001 and up | \$938.00 | \$1,078.75 | 15.01% | |
| (plus 1.25 times new construction permit fee) | | | | |
| Sign Permit fees | | | | |
| Minimum | \$18.75 | \$21.50 | 14.67% | |
| Electric & non-electric** | Up to 50 sq ft | \$18.75 | \$21.50 | 14.67% |
| | 51-100 sq ft | \$18.75 | \$21.50 | 14.67% |
| | 101-200 sq ft | \$30.00 | \$34.50 | 15.00% |
| | 201-400 sq ft | \$43.75 | \$50.75 | 16.00% |
| | Over 400 sq ft | \$56.75 | \$65.25 | 14.98% |
| Ground Signs** | | | | |
| | Up to 100 sq ft | \$18.75 | \$21.50 | 14.67% |
| | 101-600 sq ft | \$18.75 | \$21.50 | 14.67% |
| | Over 600 sq ft | \$87.50 | \$102.75 | 17.43% |
| Bleacher permit fees | | | | |
| Permanent | See new construction fee schedule | | | |
| Temporary | 0-1,000 seats | \$18.00 | \$20.75 | 15.28% |
| | each additional 1,000 seats or fraction thereof | \$9.00 | \$10.25 | 13.89% |
| Chimney and Flue fees | | | | |
| | Each chimney or flue | \$12.50 | \$14.50 | 16.00% |
| Demolition Permit fees | | | | |
| Construction Type | | | | |
| | Type II or V | \$24.75 | \$28.50 | 15.15% |
| | Other types | \$37.25 | \$42.75 | 14.77% |

* Fees for new construction costs above \$500 are graduated, based on cost.

** Graduated scale based on actual square footage.

Summary of proposed fee increases

Attachment 2 of 11

| Section/ Fee type/ Fee level | | Current | Proposed | % Chg |
|--|------------------------------------|---|--------------------------|----------|
| Extra Permit Work | | Two times the standard fees for work remaining to be done or not covered in original permit scope | | |
| Garage Door Permits | Each Garage door | \$9.00 | \$10.25 | 13.89% |
| Grading Permits | | See new construction schedule | | |
| House Moving Investigation and Permit Fee | Investigation | \$47.25 | \$54.25 | 14.81% |
| | Permit | \$54.50 | \$62.75 | 15.14% |
| Recommencement of work not completed | | Standard Inspection Fee per Section 332.2 | | |
| Re-roofing permits | | \$56.75 | \$62.25 | 9.69% |
| Strong Motion Instrumentation Fee | Minimum | | \$1.50 | |
| Group R Occupancies of 3 stories or less | | .0001*** | 0.00013*** 0.00024*** | |
| Sub-Sidewalk Construction and Use Permit fee | Construction | See new construction schedule | | |
| | Use Permit: each | \$22.50 | \$26.00 | 15.56% |
| | Street space deposit | \$34.25 | \$39.50 | 15.33% |
| n 330.2: Electrical Permit Fees-Schedule A | | | | |
| New Building | | | | |
| Filing Fee | | \$22.50 | \$26.00 | 15.56% |
| Service Fee | | | | |
| | 0-100 amps | \$56.75 | \$65.25 | 14.98% |
| | Each additional amp over 100 amps | \$0.10 | \$0.15 | 50.00% |
| Circuit Fees (0-30 amp circuits) | | | | |
| | 0-50 circuits, per circuit | \$11.50 | \$13.25 | 15.22% |
| | over 50 circuits, per circuit | \$5.75 | \$6.50 | 13.04% |
| | 31-60 amp circuits, per circuit | \$13.75 | \$15.75 | 14.55% |
| | 61-100 amp circuits, per circuit | \$18.00 | \$20.75 | 15.28% |
| | Over 100 amp circuits, per circuit | \$18.00 | \$20.75 | 15.28% |
| Temporary wiring | | one-half of above rates | | |

*** Times the valuation.

Summary of proposed fee increases

Attachment 3 of 11

| <u>Section/ Fee type/ Fee level</u> | <u>Current</u> | <u>Proposed</u> | <u>% Chg</u> |
|-------------------------------------|----------------|-----------------|------------------|
| Existing building work | | | |
| Filing Fee | \$22.50 | \$26.00 | 15.56% |
| 1-5 openings | \$19.75 | \$22.75 | 15.19% |
| 6-10 openings | \$39.50 | \$45.50 | 15.19% |
| 11-15 openings | \$49.50 | \$57.00 | 15.15% |
| 16-20 openings | \$69.25 | \$79.75 | 15.16% |
| 21-25 openings | \$78.75 | \$90.50 | 14.92% |
| 26-30 openings | \$89.25 | \$102.75 | 15.13% |
| 31-35 openings | \$98.75 | \$113.50 | 14.94% |
| 36-40 openings | \$108.25 | \$124.50 | 15.01% |
| 41-45 openings | \$118.75 | \$136.50 | 14.95% |
| 46-50 openings | \$128.00 | \$147.25 | 15.04% |
| 51-60 openings | \$138.00 | \$158.75 | 15.04% |
| 61-70 openings | \$148.00 | \$170.25 | 15.03% |
| 71-80 openings | \$158.50 | \$182.25 | 14.98% |
| 81-90 openings | \$168.00 | \$193.25 | 15.03% |
| 91-100 openings | \$177.50 | \$204.25 | 15.07% |
| over 100 openings | \$1.25 | \$1.50 | 20.00% |

Openings include switches, convenience receptacles, lighting fixtures, fixed appliances, motors, transformers, fire warning and detector devices.

Electrical Permit fees-Schedule B

| | | | |
|-------------------------------------|---------|---------|--------|
| Filing Fee | \$22.50 | \$26.00 | 15.56% |
| Minimum fee | \$22.50 | \$26.00 | 15.56% |
| each outlet or switch | \$0.80 | \$1.00 | 25.00% |
| each svc up to 100 amps | \$11.25 | \$13.00 | 15.56% |
| Each Circuit | \$1.75 | \$2.00 | 14.29% |
| Each transformer dimmer | \$0.80 | \$1.00 | 25.00% |
| Connection of motors and generators | | | |
| 0-10 hp | \$1.75 | \$2.00 | 14.29% |
| 11-50 hp | \$2.00 | \$2.25 | 12.50% |
| 51-100 hp | \$2.25 | \$2.50 | 11.11% |
| ea. hp over 100 hp | \$2.50 | \$3.00 | 20.00% |
| Electric appliance connection | | | |
| Per kilowatt or fraction thereof | \$1.75 | \$2.00 | 14.29% |
| Range outlet connection, minimum | \$16.75 | \$19.25 | 14.93% |
| Dryer outlet connection, minimum | \$11.25 | \$13.00 | 15.56% |

Summary of proposed fee increases

Attachment 4 of 11

| Section/ Fee type/ Fee level | Current | Proposed | % Chg |
|--|---------|----------|----------|
| Fixed air heating devices, each Connection | \$0.80 | \$1.00 | 25.00% |
| Cold cathode or Fluorescent lighting fixture | \$1.25 | \$1.50 | 20.00% |
| Mercury vapor and similar lighting fixture | \$3.50 | \$4.00 | 14.29% |
| Incandescent lighting fixture | \$1.25 | \$1.50 | 20.00% |
| Activated electrical trench headers duct and electrical floor ducts | \$0.45 | \$0.50 | 11.11% |
| Feeders: | | | |
| 0-100 amps | \$11.25 | \$13.00 | 15.56% |
| per ampere over 100 amps | \$0.05 | \$0.10 | 100.00% |
| Underground Installations | \$28.50 | \$32.75 | 14.91% |
| Fire alarms, pull stations incl outlets | \$4.50 | \$5.25 | 16.67% |
| Fire alarms, visual and audio devices | \$1.75 | \$2.00 | 14.29% |
| Fire alarms, detector control panels | \$5.75 | \$6.75 | 17.39% |
| Fire sprinkler flow alarms | \$6.50 | \$7.50 | 15.38% |
| Combustion detectors | \$1.75 | \$2.00 | 14.29% |
| Electromagnetic hold open | \$1.75 | \$2.00 | 14.29% |
| Low Energy Circuits | | | |
| each device | \$0.60 | \$0.75 | 25.00% |
| each transformer | \$1.00 | \$1.25 | 25.00% |
| each outlet | \$0.60 | \$0.75 | 25.00% |
| Electric Signs | | | |
| Exterior Signs 0-20 lam | \$18.00 | \$20.75 | 15.28% |
| Interior Signs | \$11.25 | \$13.00 | 15.56% |

Summary of proposed fee increases

Attachment 5 of 11

| <u>Section/ Fee type/ Fee level</u> | <u>Current</u> | <u>Proposed</u> | <u>% Chg</u> |
|--|----------------|-----------------|------------------|
| Each group of 10 lamps or portion thereof in excess of 20 | \$2.50 | \$3.00 | 20.00% |
| Each interior or exterior sign circuit | \$2.50 | \$3.00 | 20.00% |
| Each Transformer or ballast in excess of 2 | \$2.50 | \$3.00 | 20.00% |
| Sign flasher control device | \$3.50 | \$4.50 | 28.57% |
| Plant Owner registration | | | |
| Each registration | \$113.50 | \$130.50 | 14.98% |
| ea. electrician regist. | \$6.00 | \$7.00 | 16.67% |
| late charge | \$6.00 | \$7.00 | 16.67% |

Section 330.3: Plumbing Permit Fees

| | | | |
|---|---------|---------|--------|
| Plumbing permits | \$13.75 | \$15.75 | 14.55% |
| Fixture & waste discharge device | \$11.75 | \$13.50 | 14.89% |
| sump ejector | \$11.75 | \$13.50 | 14.89% |
| rainwater leader | \$11.75 | \$13.50 | 14.89% |
| gas permit | \$13.75 | \$15.75 | 14.55% |
| gas line, each, including one outlet per line | \$5.75 | \$6.75 | 17.39% |
| Each additional gas outlet | \$2.50 | \$3.00 | 20.00% |
| water heater, each | \$10.25 | \$11.75 | 14.63% |
| warm air furnace | \$35.25 | \$40.50 | 14.89% |
| miscellaneous gas appliances | \$10.25 | \$11.75 | 14.63% |
| gas flues, each | \$12.50 | \$14.50 | 16.00% |
| Water line permits, 1-4 outlets /line | \$13.75 | \$15.75 | 14.55% |
| Each additional water outlet | \$2.50 | \$3.00 | 20.00% |

Summary of proposed fee increases

Attachment 6 of 11

| <u>Section/ Fee type/ Fee level</u> | <u>Current</u> | <u>Proposed</u> | <u>% Chg</u> |
|---|----------------|-----------------|------------------|
| Solar panels: per each collector | \$6.25 | \$7.25 | 16.00% |
| Lawn Sprinklers: each control valve or vacuum breaker | \$8.50 | \$9.75 | 14.71% |
| Each additional sprinkler head | \$0.15 | \$0.20 | 33.33% |
| Fire Sprinkler Systems | | | |
| Fire sprinkler piping removal or alterations | \$10.75 | \$12.25 | 13.95% |
| Undergrd fire sprinkler piping sys. | \$35.25 | \$40.50 | 14.89% |
| Replace fire sprinkler heads 1-10 | \$10.75 | \$12.25 | 13.95% |
| Each additional head over 10 | \$0.25 | \$0.30 | 20.00% |
| Fire sprinkler piping installation | | | |
| 1-10 sprinkler heads | \$10.75 | \$12.25 | 13.95% |
| 11-500 sprinkler heads | \$10.75 | \$12.25 | 13.95% |
| 501 or more sprinkler heads | \$159.50 | \$183.50 | 15.05% |
| Fire sprinkler systems flushing | \$45.25 | \$52.00 | 14.92% |
| Sewer replacement or repair | \$13.75 | \$15.75 | 14.55% |
| Side sewer installation or repair | \$35.25 | \$40.50 | 14.89% |
| Minimum fee for all permits | \$13.75 | \$15.75 | 14.55% |
| Section 331: Building Permit Application and Plan Review fees | | | |
| Back Check fee | \$47.25 | \$54.25 | 14.81% |
| Commencement of work not started | \$113.50 | \$130.50 | 14.98% |
| Electrical Plan Review | \$60.00 | \$69.00 | 15.00% |
| Expediter Fee | \$21.50 | \$24.75 | 15.12% |
| Mechanical Plan Review | \$60.00 | \$69.00 | 15.00% |

Summary of proposed fee increases

Attachment 7 of 11

| <u>Section/ Fee type/ Fee level</u> | <u>Current</u> | <u>Proposed</u> | <u>% Chg</u> |
|--|--|-----------------|------------------|
| Plan Review: New Construction, Alterations, Grading and Demolitions | 65 percent of new construction permit schedule | | |
| Plan Review under prior code | \$71.50 | \$82.25 | 15.03% |
| Pre-application plan review | \$113.50 | \$130.50 | 14.98% |
| Reduced plan review fee 25 percent of plan review fee, minimum | \$17.00 | \$19.50 | 14.71% |
| Sign plan review, approved stdzd Other | \$7.00 | \$8.00 | 14.29% |
| | 50 percent of Sign Permit Schedule | | |
| Site Permit surcharge | | | |
| less than \$350,000 | \$113.50 | \$130.50 | 14.98% |
| over \$350,000 | \$677.50 | \$779.25 | 15.02% |

Section 332: Public Notification and Record Keeping Fees

| | | | |
|---|----------|----------|--------|
| Structural Addition notice | \$13.75 | \$15.75 | 14.55% |
| Affidavit Record maintenance | \$5.75 | \$6.75 | 17.39% |
| Posting of notices (change of use) | \$20.25 | \$23.25 | 14.81% |
| Requested notice of permit issuance | \$28.50 | \$32.75 | 14.91% |
| 30" by 30" sign | \$11.25 | \$13.00 | 15.56% |
| Notice of demolition permit issuance | | | |
| One area | \$34.25 | \$39.50 | 15.33% |
| Multiple areas | \$102.25 | \$117.50 | 14.91% |
| Notification sign | | | |
| 300 ft notification letters at filing | \$54.50 | \$62.75 | 15.14% |
| Residential tenant notification | \$30.50 | \$35.00 | 14.75% |
| 300 ft notification letters at issuance | \$40.50 | \$46.50 | 14.81% |

Section 332.1: Reproduction and Dissemination of public information

| | | | |
|--|--------|--------|--------|
| Certification of copies | | | |
| 1-10 pages | \$5.75 | \$6.75 | 17.39% |
| Each additional 10 pages or fraction thereof | \$1.25 | \$1.50 | 20.00% |
| Electrostatic Reproduction | | | |
| Each page photocopy | \$0.60 | \$0.75 | 25.00% |
| Minimum charge | \$3.00 | \$3.50 | 16.67% |
| 35mm duplicards from roll film | \$1.25 | \$1.50 | 20.00% |

| <u>Section/ Fee type/ Fee level</u> | <u>Current</u> | <u>Proposed</u> | <u>% Chg</u> |
|-------------------------------------|----------------|-----------------|------------------|
| Microfilm Hard Copy prints | | | |
| 8 1/2" x 11" copy from 16mm film | \$1.25 | \$1.50 | 20.00% |
| 24"x18" copy from 35mm film | \$2.25 | \$2.50 | 11.11% |
| "half-sized" copy from 35mm film | \$1.50 | \$3.00 | 100.00% |
| 8.5" x 11" copy from 16mm | \$0.75 | \$1.00 | 33.33% |
| Minimum Microfilm reprod. charge | \$3.00 | \$3.50 | 16.67% |
| Replacement of approved plans/specs | | | |
| Each Sheet of plans | \$3.50 | \$4.00 | 14.29% |
| Each 50 pages of specs or fraction | \$5.75 | \$6.75 | 17.39% |

Section 332.2: Inspections, Surveys, and Reports

| | | | |
|-------------------------------------|---------------------------------------|------------|--------|
| Off-hours Inspection | 1.5 times Standard Inspection fee | | |
| Pre-Application Inspection | Two times Standard Inspection fee | | |
| Re-Inspection Fee | Standard Inspection Fee | | |
| Report of Residential Records | \$22.50 | \$26.00 | 15.56% |
| Standard Inspection Fee | \$56.75 | \$65.25 | 14.98% |
| Survey of non-residential building | Two times the Standard Inspection Fee | | |
| Maximum charge | \$2,257.50 | \$2,596.00 | 14.99% |
| Survey of Residential Building | | | |
| Single Family Dwelling | \$339.25 | \$390.25 | 15.03% |
| Two Family Dwelling | \$339.25 | \$390.25 | 15.03% |
| Apartment houses: 3 units | \$394.75 | \$454.00 | 15.01% |
| Apartment houses: 4-10 units**** | \$394.75 | \$454.00 | 15.01% |
| Apartment houses: 11-20 units**** | \$742.50 | \$854.00 | 15.02% |
| Apartment Houses: 21-40 units**** | \$1,115.00 | \$1,282.25 | 15.00% |
| Apartment houses: over 41 units**** | \$1,611.75 | \$1,853.50 | 15.00% |
| Hotels | | | |
| 1-10 guest rooms | \$429.50 | \$494.00 | 15.02% |
| 11-20 guest rooms**** | \$429.50 | \$494.00 | 15.02% |
| 21-40 guest rooms**** | \$610.00 | \$701.50 | 15.00% |
| Over 41 guest rooms**** | \$858.00 | \$986.75 | 15.01% |

Temporary Certificate of Occupancy

Standard Inspection Fee

**** Graduated scale.

Summary of proposed fee increases

Attachment 9 of 11

| <u>Section/ Fee type/ Fee level</u> | <u>Current</u> | <u>Proposed</u> | <u>% Chg</u> |
|---|--|-------------------------|------------------|
| Section 332.3: Penalties, Hearings, Code Enforcement Assessments | | | |
| Abatement Appeals Board filing fee | \$45.25 | \$52.00 | 14.92% |
| Board of Examiners | | | |
| each variance or interp of code | \$78.75 | \$90.50 | 14.92% |
| each appeal for approval of substitute materials or methods of construction | \$197.50 | \$227.25 | 15.06% |
| Director's abatement orders, per hr | \$46.25 | \$53.25 | 15.14% |
| Emergency Order | \$37.25 | \$42.75 | 14.77% |
| Handicapped Access Appeals Board Filing Fee | \$125.00 | \$143.75 | 15.00% |
| Lien Recordation Charges | \$105.00 | \$120.75 | 15.00% |
| Work w/o permit: investigation fee; penalty | | | |
| Building, Electrical, Plumbing or Mechanical Code violations | Nine times the applicable fee plus the original permit fee | | |
| Section 332.4: Refunds | | | |
| Building Permit- amount paid less | \$73.50 | \$84.50 | 14.97% |
| Demolition Permit- amount paid less | \$56.75 | \$65.25 | 14.98% |
| Electrical Permit- amount paid less | \$56.75 | \$65.25 | 14.98% |
| Grading Permit- amount paid less | \$56.75 | \$65.25 | 14.98% |
| Plan Review- amount paid less | \$22.50 | \$26.00 | 15.56% |
| Plumbing Permit- amount paid less | \$56.75 | \$65.25 | 14.98% |
| Section 332.5: Miscellaneous | | | |
| Building numbers, each entrance | \$13.75 | \$15.75 | 14.55% |
| Disability access coordinator | \$8.50 | \$9.75 | 14.71% |
| Extension of time: | | | |
| Each permit application extension | \$27.25 | \$31.25 | 14.68% |
| Each permit extension | | Standard Inspection Fee | |
| Each inspection performed | | Standard Inspection Fee | |
| Product Approvals: | | | |
| initial or reinstatement | \$113.50 | \$130.50 | 14.98% |
| modification or revision | \$39.50 | \$45.50 | 15.19% |
| renewal (every 2 years) | \$56.75 | \$65.25 | 14.98% |

| <u>Section/ Fee type/ Fee level</u> | <u>Current</u> | <u>Proposed</u> | <u>% Chg</u> |
|--|----------------|-----------------|------------------|
| Section 333.1: Apartment House and Hotel License Fee Schedule | | | |
| Apartment Houses (annual basis): | | | |
| Less than 20 rooms | \$92.50 | \$106.50 | 15.14% |
| 20-29 rooms | \$117.50 | \$135.25 | 15.11% |
| 30-39 rooms | \$155.50 | \$179.00 | 15.11% |
| 40-49 rooms | \$205.75 | \$236.50 | 14.95% |
| 50-59 rooms | \$285.50 | \$327.75 | 14.80% |
| 60 rooms or over | \$335.00 | \$385.25 | 15.00% |
| Change of ownership | \$28.25 | \$32.50 | 15.04% |
| Hotels (annual basis): | | | |
| Less than 20 rooms | \$141.75 | \$163.00 | 14.99% |
| 20-29 rooms | \$167.00 | \$192.00 | 14.97% |
| 30-39 rooms | \$206.00 | \$237.00 | 15.05% |
| 40-49 rooms | \$254.00 | \$292.00 | 14.96% |
| 50-59 rooms | \$333.00 | \$383.00 | 15.02% |
| 60-69 rooms | \$384.25 | \$442.00 | 15.03% |
| 100-149 rooms | \$414.75 | \$477.00 | 15.01% |
| 150 rooms and over | \$466.25 | \$536.25 | 15.01% |
| Change of ownership | \$28.50 | \$32.50 | 14.04% |
| Section 333.2: Hotel Conversion Ordinance Fee Schedule | | | |
| Annual Unit usage report | \$45.25 | \$52.00 | 14.92% |
| Challenge to claims of exemption: | | | |
| Usage report | \$14.75 | \$17.00 | 15.25% |
| Claim of exemption based on low-income housing: | \$178.50 | \$205.25 | 14.99% |
| Claim of exemption based on partially completed conversion | \$357.00 | \$410.50 | 14.99% |
| Complaint of Unlawful Conversion | \$14.75 | \$17.00 | 15.25% |
| Determination by Real Estate Department and cost of independent appraisals | \$846.25 | \$973.25 | 15.01% |
| Initial Unit Usage Report | \$178.50 | \$205.25 | 14.99% |
| Permit to convert | \$300.00 | \$345.00 | 15.00% |

Summary of proposed fee increases

Attachment 11 of

| <u>Section/ Fee type/ Fee level</u> | <u>Current</u> | <u>Proposed</u> | <u>% Chg</u> |
|--|----------------|-------------------------|------------------|
| Request for hearing to exceed 25% tourist season rental limit | | | |
| Inspection Fee | | Standard Inspection Fee | |
| Hearing Officer's statement of exemption | \$178.50 | \$205.25 | 14.99% |
| Section 333.3: Energy Conservation Fee Schedule | | | |
| Initial Inspections | | | |
| 1 and 2 family dwellings | \$43.00 | \$49.50 | 15.12% |
| Apart houses & Resid Hotels | | | |
| up to 20 rooms | \$48.25 | \$55.50 | 15.03% |
| 20-29 rooms | \$57.75 | \$66.50 | 15.15% |
| 30-39 rooms | \$69.25 | \$79.75 | 15.16% |
| 40-49 rooms | \$76.75 | \$88.25 | 14.98% |
| 50-59 rooms | \$86.00 | \$99.00 | 15.12% |
| 60 rooms and over | \$96.50 | \$111.00 | 15.03% |
| Compliance Inspections: | | | |
| 1 and 2 family dwellings | \$21.50 | \$24.75 | 15.12% |
| Apart houses & Resid Hotels | | | |
| up to 20 rooms | \$23.75 | \$27.25 | 14.74% |
| 20-29 rooms | \$28.25 | \$32.50 | 15.04% |
| 30-39 rooms | \$34.25 | \$39.50 | 15.33% |
| 40-49 rooms | \$38.50 | \$44.25 | 14.94% |
| 50-59 rooms | \$43.00 | \$49.50 | 15.12% |
| 60 rooms and over | \$48.25 | \$55.50 | 15.03% |
| Energy Reports and Certificates | \$4.50 | \$5.25 | 16.67% |
| Filing Fee for appeals | \$35.75 | \$41.00 | 14.69% |
| Certification of qualified energy Inspector | \$17.00 | \$19.50 | 14.71% |

Item 9 - File 25-91-15

Department: Public Health

Proposed Action: Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

Services to be Performed: Children's Day Treatment Services

Description: The Controller has determined that contracting for these Children's Day Treatment services in fiscal year 1990-91 would result in estimated savings as follows:

| | Lowest Salary Step | Highest Salary Step |
|------------------------------------|--------------------------|---------------------------|
| <u>City Operated Service Costs</u> | | |
| Salaries & Fringe Benefits | \$219,764 | \$261,711 |
| Operating Expenses | <u>36,530</u> | <u>36,530</u> |
| Total | \$256,294 | \$298,241 |
| <u>Contracted Service Cost</u> | <u>243,936</u> | <u>243,936</u> |
| <u>Estimated Savings</u> | \$12,358 | \$54,305 |

- Comments:**
1. Children's Day Treatment services were first certified as required by Charter Section 8.300-1 in 1980 and have been continuously provided by an outside contractor since then.
 2. The current one-year contract, which expires June 30, 1991, is with Northern California Ambulatory Health Services Inc. which operates under the name of Children's Hospital of San Francisco. The contract for FY 1991-92 was competitively bid and will be awarded to the same contractor, who was the sole bidder. The Contracted Service Cost used for the purpose of this analysis is a formal bid from the current contractor.
 3. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of this contract, is attached.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

CHARTER 8.300-1 (Proposition J) QUESTIONNAIREDepartment Public Health - DMSF-CMHSContract Services Children's Day Treatment ServicesFor the term starting approximately July 1, 1991 through June 30, 1992

- 1) Who performed services prior to contracting out?

A Civil Service Unit consisting of staff per 3 below.

- 2) Number of City employees laid off as a result of contracting out?

None

- 3) Explain disposition of employees if they were not laid off.

1.0 FTE 2574 Clinical Psychologist - Retired

1.0 FTE 2932 Sr. Psych. Socwkr - reassigned to a City-run Geriatric Services Unit

1.0 FTE 2932 Sr. Psych. Socwkr - reassigned to City-run OMI Family Center

1.0 FTE 2587 Health Worker - left to go back to school.

- 4) What percent of a City employee's time is spent on services to be contracted out?

City Employees' percent of time spent operating a program equivalent to current contract program would now be the same as Contractor - 4.60 FTE.
 Total City Employees' percent of spent administering contract not known- records not kept in this manner.

- 5) How long have the services been contracted out?

Not counting 91/92; Eleven years (since FY 80/81 for this program - total of 16 years with Children's Hospital for other programs).

- 6) What was the first fiscal year for a Proposition J Certification?

FY 1980/81

- 7) How will contract services meet the goals of your MBE/WBE Action Plan?

Not applicable - Contractor is a non-profit agency. Present MBE/WBE/LBE ordinance applies only to profit-making enterprises.

Luz-Mary Harris, Ph.D.

Department Representative

Telephone 255-3412

Item 10 - File 25-91-16

Department: Port of San Francisco

Item: Resolution concurring with Controller's Certification of costs required by Charter Section 8.300-1 (Proposition J) that services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

Services to be Performed: Janitorial Services at the Ferry Building, World Trade Center and surrounding areas, the Agriculture Building, the Cruise Ship Terminal and at various Port piers.

Description: The Controller has determined that contracting for these security guard services in Fiscal Year 1991-92 would result in estimated savings as follows:

| | Lowest Salary <u>Step</u> | Highest Salary <u>Step</u> |
|-------------------------------------|---------------------------------|----------------------------------|
| <u>City Operating Service Costs</u> | | |
| Salaries | \$370,440 | \$440,654 |
| Fringe Benefits | 105,856 | 121,479 |
| Operating Expenses | <u>35,175</u> | <u>35,175</u> |
| Total | \$511,471 | \$597,308 |
| <u>Contracted Service Cost</u> | <u>409,533</u> | <u>409,533</u> |
| <u>Estimated Savings</u> | \$101,938 | \$187,775 |

Comments:

1. Janitorial services were first certified as required by Charter Section 8.300-1 in 1982 and have been provided by an outside contractor since 1979.
2. The current contract which expires on June 30, 1991 is with Fairway Janitorial Service and Custodian Janitorial Service. The contract for Fiscal Year 1991-92 would be awarded to two firms - Lewis & Taylor and Fairway Janitorial Service. Fairway Janitorial Service is a City-certified MBE firm while Lewis & Taylor is not a MBE, WBE or LBE firm. The two contracts were awarded through the competitive bid process.
3. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of this contract, is attached.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
May 1, 1991


Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Department: Port Commission For Time Period: F. Y. 91-92

Contract Services: Janitorial Services

- 1) Who performed services prior to contracting out?
The services were performed by City staff consisting at the time of 15 Janitors, 1 Janitor Sub-Foreman, and 1 Janitor Foreman, a total of 17 people, prior to the work being contracted out in November 1979.
- 2) Number of City employees laid off as result of contracting out?
I believe sixteen people were laid off however, they were all immediately, or shortly thereafter, hired by other City depts.
- 3) Explain disposition of employees if they were not laid off.
All were rehired in other City departments during 1979/80.
- 4) What percent of a City employee's time is spent on services to be contracted out?
11 Custodians - 2708 (100%)
1 Custodian Assistant Supervisor - 2716 (100%)
1 Custodian Supervisor - 2718 (100%)
- 5) How long have the services been contracted out?
Since 1979.
- 6) What was the first fiscal year for a Proposition J Certification?
- 7) How will contract services meet the goals of your MBE/WBE Action Plan?
The Port has divided janitorial services into segments that can be individually bid. This will enhance the opportunity for minority, women and small business enterprises to successfully compete for these contracts. MBE firms currently perform these services.


Stephen Amano, Personnel Manager
Department Representative

Telephone: 274-0422

(JANQUEST)

Item 11 - File 25-91-17

Department: Port of San Francisco

Item: Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

Services to be Performed: Security Guard Services at the Ferry Building/World Trade Center, Agriculture Building, Port public parking facilities and various piers.

Description: The Controller has determined that contracting for these security guard services in fiscal year 1991-92 would result in estimated savings as follows:

| | Lowest Salary <u>Step</u> | Highest Salary <u>Step</u> |
|------------------------------------|---------------------------------|----------------------------------|
| <u>City Operated Service Costs</u> | | |
| Salaries and Fringe Benefits | \$268,920 | \$324,939 |
| Operating Expenses | <u>8,809</u> | <u>8,809</u> |
| Total | \$277,729 | \$333,748 |
| <u>Contracted Service Cost</u> | <u>125,389</u> | <u>125,389</u> |
| <u>Estimated Savings</u> | \$152,340 | \$208,359 |

- Comments:**
1. Security guard services were first certified as required by Charter Section 8.300-1 in 1983 and have been provided by an outside contractor since 1976.
 2. The current contract, which expires February 28, 1992, is with Cal-State Patrol Services, a City-certified Minority Business Enterprise (MBE). The Contracted Service Cost used for the purpose of this analysis is based on Cal-State Patrol Services estimated cost to provide services for FY 1991-92.
 3. The Controller's supplemental questionnaire with the department's responses, including the MBE/WBE status of this contract, is attached.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

CHARTER 8.300-1 (Proposition J) QUESTIONNAIRE

Department: Port Commission For Time Period: F. Y. 91-92
Contract Services: Security Services Contract Term: _____

- 1) Who performed services prior to contracting out?
Security Services were performed by patrol officers prior to 1975. These were former State of California employees transitioned to City service when the Port was transferred to the City's jurisdiction in 1969.
- 2) Number of City employees laid off as result of contracting out?
No employees are adversely affected as a result of this contract.
- 3) Explain disposition of employees if they were not laid off.
The former Harbor Patrol Officers were transferred to the Sheriff's Office in 1975. Several subsequently have become Q-2 Police Officers in the S.F.P.D. None were displaced.
- 4) What percent of a City employee's time is spent on services to be contracted out?
The cost comparison is based upon a hypothetical City work force of seven and one half Building & Grounds Patrol Officers. This represents a very conservative estimate of the number of City employees needed to cover the 294 hours of service provided by the contractor each week.
- 5) How long have the services been contracted out?
Since 1976.
- 6) What was the first fiscal year for a Proposition J Certification?
Fiscal Year 83-84.
- 7) How will contract services meet the goals of your MBE/WBE Action Plan?
In the past the low bidder on this contract has been a minority or woman-owned business. If this Prop J certification is approved and an MBE or WBE-owned business is the low bidder, it will contribute significantly toward the City's compliance with the provisions of 12D of the Administrative Code.

Stephen Amano, Personnel Manager
Department Representative

Telephone: 274-0422

Item 12 - File 31-91-4

Department: Department of Parking and Traffic
Traffic Operations Division
Curb Painting/Striping Section

Item: Resolution authorizing the immediate filling of a vacant position.

Position: 7242 Painter Supervisor I

Retirement Date: March 30, 1991

Normal Refill Date: August 2, 1991

Proposed Refill Date: March 30, 1991

Funding Needed: \$18,823.50

Source of Funds: Excess Salary Savings

Description: Section 10, Subsection 1 of the Annual Appropriation Ordinance permits immediate filling of a position left vacant due to retirement of an incumbent when a lump sum payment is made for accumulated leave. The immediate filling of a vacant position requires a request by the department's appointing officer, the approval of the department head, the recommendation of the General Manager, Personnel, and the Mayor and approval by the Board of Supervisors.

Comments:

1. The Painter Supervisor I retired on March 30, 1991, and was paid for 712 hours of accumulated sick leave which prevents the refilling of this position until August 2, 1991.
2. Ms. Kathryn Hile of the Department of Traffic and Parking reports that the 7242 Painter Supervisor I position has been filled on a temporary basis since January 14, 1991. Ms. Hile indicates that the position was temporarily filled prior to the retirement date of the incumbent so that training could be provided to the person who would assume the 7242 Painter Supervisor I position. A budgeted 5229 Associate Engineer position which is vacant has been identified as the funding source. Ms. Hile advises that since the 7242 Painter Supervisor I position has only been filled on a temporary basis using funding from a vacant 5229 Associate Engineer position, retroactive approval of the immediate filling is not required.

BOARD OF SUPERVISORS
BUDGET ANALYST

3. Ms. Hile indicates that the 7242 Painter Supervisor I is responsible for supervising up to six painters per job site, at up to three different sites per day. Ms. Hile indicates that the Department of Parking and Traffic has filled the 7242 Painter Supervisor I position temporarily because the Department needed to provide operational and safety training so that projects would not be delayed.

4. The 5229 Associate Engineer evaluates accident reports from the Police Department, monitors the frequency of accidents, and recommends changes to high accident traffic areas. The Department of Parking and Traffic reports that an individual has recently passed the State board examinations, and is now eligible for appointment to a 5229 position. If the Board of Supervisors approves the proposed resolution, then the Department of Parking and Traffic would permanently fill the vacant 5229 Associate Engineer position.

5. The earliest date the 7242 Painter Supervisor I position could be permanently filled, pending approval from the Board of Supervisors is May 7, 1991. Therefore, the excess salary savings needed from May 7, 1991 until the accumulated sick leave runs out on August 2, 1991 for the 7242 Painter Supervisor I is \$13,536.

6. Ms. Hile reports that the Mayor's Office has informed the Department of Parking and Traffic that they should submit a personnel requisition to determine whether the position is a critical position which meets the criteria of the hiring freeze, pending the Board of Supervisors approval of the proposed immediate filling. Ms. Hile also indicates that the Department currently has approximately 60 work orders, and without adequate supervision, projects would be delayed, and current jobs may not be completed correctly. To date, the Department of Parking and Traffic has not yet submitted a personnel requisition for the proposed 7242 Painter Supervisor I or the proposed 5229 Associate Engineer.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 13 - File 65-91-2

Department: Real Estate
Arts Commission

Item: Resolution authorizing and approving lease of City property.

Location: 762 Fulton Street (Assessor's Block 781, Lots 10 and 34)
Formerly the Western Addition Community Cultural Center

Purpose of Lease: Center for African and African American Art and Culture facility.

No. of Square Feet : Approximately 33,430 square feet of building space, constructed on 37,812 square feet of land area.

Annual Cost: \$1 annually.

Utilities and Janitor Services Provided by Lessor: To be paid by the Center for African and African American Art and Culture

Term of Lease: Twenty (20) years. Lessee may terminate the proposed lease at any time during this 20-year period with a sixty (60) day written notice to the City.

Right of Renewal: The twenty (20) year lease would be subject to four review and approval periods. (See Comment #1 below)

Description: The proposed lease would be used as the facility for a non-profit corporation, the Center for African and African American Art and Culture. The activities which would be conducted at the facility would include dance and arts programs. As a condition of the lease, the Center would have to promote artistic and cultural activities as determined by the community, and as specifically described in the Center for African and African American Art and Culture's management and programming plan, which specifies how the Center would promote artistic and cultural activities. The management and programming plan has not yet been submitted to either the City Attorney's Office or the Real Estate Department. These artistic and cultural activities would be subject to periodic review and approval by the San Francisco Arts Commission.

BOARD OF SUPERVISORS
BUDGET ANALYST

On August 13, 1990 the Department of City Planning determined that the proposed lease of the subject property would be categorically exempt from environmental review, in conformity with the Master Plan, and consistent with the Eight priority policies of Planning Code Section 101.1.

Comments:

1. Mr. Steve Legnitto of the Real Estate Department reports that as a condition of the lease, the Arts Commission shall review the Center's performance and their implementation of the Center's management and programming plan. The Center would also submit to the San Francisco Arts Commission an audit of the Center's management and financial condition, completed by an independent firm. At least 90 days prior to the end of the first review period, the San Francisco Arts Commission shall notify the Center of a public hearing to assess their performance, and a written notice would be published to the community at least 30 days prior to the meeting date. Based upon the evidence submitted to the Arts Commission at the review meeting, and based upon the management and financial audit completed by an independent firm, the Arts Commission would advise the Center as to whether their lease would continue until the next review period, whether approval would be given for a probationary period of one year, or whether approval is denied. These review periods would be scheduled at the end of the following lease years:

| | <u>Lease Year</u> |
|--------------|-------------------|
| 1st Review | 2nd |
| 2nd Review | 5th |
| 3rd Review | 10th |
| Final Review | 15th |
| Lease End | 20th |

2. The City, through the Arts Commission, would complete all phases of renovation as specified in the approved San Francisco Arts Commission's master plan. The Arts Commission reports that their master plan currently includes general improvements for \$1,106,000 during FY 1991-92, and \$975,000 during FY 1992-93. Specifics for the proposed renovations will be provided by the Arts Commission at a later date. The completion of these renovations would be subject to the City's appropriation of the necessary funds. Any renovations which are not included in accordance with the Arts Commission's master plan would be paid for by the Center for African and African American Art and Culture.

3. The City would provide routine maintenance through the Department of Public Works (DPW), during the first three

BOARD OF SUPERVISORS
BUDGET ANALYST

years of the proposed lease. The DPW currently provides routine maintenance at the 762 Fulton Street facility, which includes maintenance on elevators, alarm systems and plumbing. The DPW reports that these maintenance costs are approximately \$20,000 to \$25,000 annually, and are funded through the General Fund. After the initial three-year period, the Center would be responsible for all maintenance, including maintenance of any added improvements made by the DPW during the initial three-year period of the proposed lease.

4. As previously noted, the annual rent for the proposed lease is \$1, to be paid by the Center for African and African American Art and Culture.

Recommendation: Approval of the proposed lease at a \$1.00 per year rental is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 14 - File 146-91-33

Department: Department of Public Health (DPH)
Family Health Bureau

Item: Resolution authorizing the Department of Public Health to accept and expend an augmentation to a State grant.

Grant Amount: \$25,000

Source of Funds: State Department of Health Services,
Maternal Child Health (MCH) Branch

Grant Period: March 1, 1991 through June 30, 1991

Project: Comprehensive Perinatal Services Program

Project Description: The Board of Supervisors authorized the DPH to apply for, accept and expend the State Maternal Child Health block grant of \$186,746 (File No. 146-90-53) on August 27, 1990. The Board of Supervisors also authorized the DPH to accept and expend an augmentation of \$23,689 (File No. 146-91-26) on April 5, 1991 for a total 1990-91 MCH block grant of \$210,435.

The State grant provides funds for the management and coordination of the DPH's Comprehensive Perinatal Services Program (CPSP) and for enhancing and maintaining Maternal/Child Health activities. Specific program services include: (1) providing technical assistance to health care providers in order to enable them to enroll low-income women in Medi-Cal funded perinatal services; (2) providing public information about the availability of Medi-Cal funded perinatal services; (3) recruiting additional health care providers to offer such services and; (4) providing on-going quality assurance and in-depth technical assistance to those health care providers that are currently offering these perinatal services.

The proposed State grant augmentation would provide funds for the development of a toll-free telephone MCH referral service. This toll-free service is mandated under the Federal Ombudsman Budget Reformation Act (OBRA '89) which required States to provide low-income individuals who lack telephones free access to information on health care services available. This toll-free service would provide individuals with an opportunity to arrange appointments for perinatal services, and to provide referrals on the services available under the Women, Infants and Children (WIC) Program, the Child Health Disability Program (CHDP), and Family

BOARD OF SUPERVISORS
BUDGET ANALYST

Planning. The proposed grant funds would be used to develop an inventory of MCH providers, and to implement a toll-free telephone system so that individuals can be provided with a list of MCH providers in their area which they could telephone through a toll-free telephone number.

Project Budget:

| | <u>FTE</u> | <u>Original Budget</u> | <u>Augmentation Budget</u> | <u>Total Budget</u> |
|-----------------------------|------------|----------------------------|--------------------------------|-------------------------|
| <u>Personnel</u> | | | | |
| Sr. Medical Social Worker | .75 | \$37,897 | | \$37,897 |
| Perinatal Social Worker | .75 | 32,769 | | 32,769 |
| Health Educator | .75 | 28,410 | | 28,410 |
| Data Clerk | .75 | 16,639 | | 16,639 |
| Clerk Typist | .50 | 13,403 | | 13,403 |
| Perinatal Director | .50 | 11,715 | | 11,715 |
| MCH. Director | .05 | 6,096 | | 6,096 |
| Health Worker | .25 | | \$2,730 | 2,730 |
| Fringe Benefits | | <u>41,140</u> | <u>765</u> | <u>41,905</u> |
| Subtotal Personnel | 4.3 | \$188,069 | \$3,495 | \$191,564 |
| Indirect Costs | | 891 | 273 | 1,164 |
| <u>Operating Expenses</u> | | | | |
| Travel | | 3,500 | | 3,500 |
| Consultant Services | | 12,000 | | 12,000 |
| Office Supplies | | 1,800 | | 1,800 |
| Reproduction | | 1,200 | 1,200 | 2,400 |
| Educational Materials | | 1,500 | | 1,500 |
| Training | | 1,475 | | 1,475 |
| Other | | | <u>8,982</u> | <u>8,982</u> |
| Subtotal Operating Expenses | | <u>21,475</u> | <u>10,182</u> | <u>31,657</u> |
| Total | | \$210,435 | \$13,950 | \$224,385 |

Comments:

1. As reflected in the above budget, Ms. Ginger Smyly of the DPH reports that the State MCH Branch has informed her that the DPH would receive a grant augmentation of \$13,950. Therefore, the proposed resolution should be amended to authorize DPH to accept and expend \$13,950 instead of \$25,000.

BOARD OF SUPERVISORS
BUDGET ANALYST

2. Although the proposed grant augmentation is for a grant period beginning on March 1, 1991, the State has not yet awarded the DPH the proposed augmentation because of delays in processing the augmentations. Therefore, the proposed resolution does not have to be amended to authorize the DPH to accept and expend the State augmentation retroactively.

3. The \$8,982 budgeted for "other" includes \$982 for the installation of an 800 toll-free telephone number, monthly rental fees, other fees, purchase of telephone sets and answering machine, \$500 for an ad in the yellow pages and \$7,500 for a Bus Placard advertising campaign.

4. Ms. Smyly indicates that the DPH forgot to include indirect costs in their budget request as submitted to the State. Based on inquiries by the Budget Analyst to the State Department of Health Services, the proposed augmentation can include allowable indirect costs of \$273 (10 percent of personnel, not including fringe benefits), as reflected in the above amended budget. The final contract with the State will include \$273 for indirect costs.

5. Ms. Smyly also reports that the proposed augmentation is an award from the State which did not require an application. The DPH completed a survey on the number of calls the DPH handled regarding perinatal referrals. Based upon the results of the survey, the State MCH Branch has decided to augment the DPH's 1990-91 Block Grant. Therefore, the proposed resolution does not include an apply for clause, and only authorizes the DPH to accept and expend the additional grant funds.

6. The DPH has completed a "Summary of Grant Request" which is attached.

Recommendation: Amend the proposed resolution to authorize the DPH to accept and expend an augmentation grant in the amount of \$13,950 instead of \$25,000. Approve the proposed resolution as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item No. _____ Health Commission - Summary of Grant Request

Rev. 4/10/90

Grantor State DHS, MCH Branch Division CPHS
 Contact Person Doris Barrows, DHS Section Family Health Bureau
 Address MCH Branch, 714 "P" Street Contact Person Virginia Smyly
Sacramento, CA 94234-7320 Telephone 554-2575
 Amount Requested \$13,950 Application Deadline March 31, 1991
 Term: From March 1, 1991 To June 30, 1991 Notification Expected N/A
 Health Commission _____ Board of Supervisors: Finance Committee _____
 Full Board _____

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of \$13,950 from the period of March 1, 1991 to June 30, 1991 to provide perinatal services.

II. Summary: (Concise summary; need address; number + groups served; services and providers)

The State is implementing OBRA 89 which mandates that States maintain toll free phone lines for MCH appointment referrals. The State MCH Branch informed counties that the Block Grants would be increased in order to perform this service to citizens of their counties. Specifically a toll free MCH hotline will be made available for referrals to CPSP, WIC, Family Planning, CHDP, and CCS providers for residents of the counties

III. Outcomes/Objectives:

The expected outcome is increased access to MCH providers for residents of San Francisco

IV. Effects of Reduction or Termination of These Funds:

No centralized direction or resource for MCH provider referrals will be made available to residents. This may result in ongoing late entry to care or lack of perinatal care.

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Year/Orig. | Col. C Proposed | Col. D Change | Req. Match | Approved by |
|------------------|-------------------------|---------------------------|--------------------|------------------|------------|-------------|
| Grant Amount | | \$210,435 | \$13,950 | 224,385 | | |
| Personnel | | 188,069 | 3,495 | 191,564 | | |
| Equipment | | 0 | 8,982 | 8,982 | | |
| Contract Svc. | | 12,000 | 0 | 12,000 | | |
| Mat. & Supp. | | 4,000 | 1,200 | -5,200 | | |
| Facilities/Space | | 0 | 0 | 0 | | |
| Other | | 5,475 | 0 | 5,475 | | |
| Indirect Costs | | 891 | 273 | 1,164 | | |

VI. Data Processing

(none included above)

VII. Personnel

| | | | | |
|-------------|--|-----|--|--|
| F/T CSC | | .25 | | |
| P/T CSC | | - | | |
| Contractual | | - | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Item 15 - File 146-91-34

Department: Department of Public Health (DPH)
AIDS Office

Item: Resolution authorizing the Department of Public Health to accept and expend an augmentation to a Federal grant.

Grant Amount: \$936,113

Grant Period: May 20, 1991 through December 31, 1991

Source of Funds: U.S. Department of Health and Human Services,
Centers for Disease Control (CDC)

Required Match: None

Project: AIDS/HIV Prevention Project

Description: The Board of Supervisors authorized the DPH to accept and expend the AIDS/HIV Prevention Project grant of \$4,747,300 (File No. 146-90-111) on January 28, 1991. The proposed augmentation funds would be used by DPH for continuing to support a variety of AIDS prevention programs. These programs include counseling and testing services, partner notification and referral services, health education and risk-reduction services minority initiative services, public information and early intervention services.

No. of Persons Served: To serve all residents of San Francisco

| Project Budget: | 1991 | | |
|--|---------------------------|--------------------------------|-------------------------|
| | <u>Current Budget</u> | <u>Augmentation Budget</u> | <u>Total Budget</u> |
| Personnel (37.95 FTEs for Current Budget, and 7.29 FTEs for Augmentation Budget) | \$1,376,600 | \$262,301* | \$1,638,901 |
| Fringe Benefits | 357,916 | 68,199 | 426,115 |
| Equipment | 6,250 | 3,125 | 9,375 |
| Contractual Services | 2,477,156 | 471,482** | 2,948,638 |
| Materials & Supplies | 54,065 | 29,200 | 83,265 |
| Rent | 64,795 | 38,847 | 103,642 |
| Other | 77,535 | 62,959 *** | 140,494 |
| Indirect Costs | <u>275,400</u> | <u>0</u> | <u>275,400</u> |
| Total | \$ 4,689,717 | \$936,113 | \$5,625,830 |

BOARD OF SUPERVISORS
BUDGET ANALYST

* The \$262,301 (7.29 FTEs) budgeted for Personnel include the following positions:

| | <u>FTE</u> | <u>Amount</u> |
|--|------------|---------------|
| Prevention Branch Chief | .17 | \$ 9,149 |
| Health Educator | .50 | 22,368 |
| Asst. Health Educator (new) | 3.00 | 79,396 |
| Statistician (new) | 1.00 | 36,174 |
| Principal Disease Control Investigator (new) | 1.00 | 45,114 |
| Disease Control Investigator | 1.12 | 43,308 |
| Nurse Practitioner (new) | .50 | <u>26,792</u> |
| Total Personnel | 7.29 | \$262,301 |

** The \$471,482 budgeted for Contractual Services includes the following contract and work order services:

1. Contracts

| | |
|--|----------|
| • Outreach Evaluation - Urban Health Study | \$72,660 |
| • Outreach Media Campaign | 20,000 |
| • Counsel and Testing Referral to Early Intervention at Drug Treatment Sites | 93,822 |
| • Education/Prevention Services to the Latino Community | 50,000 |
| • Technical Assistance for People of Color | 75,000 |

2. Work Orders

| | |
|---|----------------|
| • Senior Health Services (DPH) | 10,000 |
| • Genital Ulcer Disease (GUD) Studies (City Clinic) | <u>150,000</u> |

| | |
|----------------------------|-----------|
| Total Contractual Services | \$471,482 |
|----------------------------|-----------|

*** The \$62,959 budgeted for "Other" includes the following:

| | |
|---------------------------------|--------------|
| Telephone/Communications | \$10,000 |
| Postage | 1,050 |
| Delivery/Courier Services | 3,250 |
| Reproduction/Photocopying | 1,700 |
| Printing/Slide Production | 2,500 |
| Promotions/Advertising | 24,500 |
| Staff Training | 4,000 |
| Client Participation Incentives | 7,000 |
| Security and Janitorial | 809 |
| Translation Services | 500 |
| Local Travel | 2,650 |
| Out-of-Jurisdiction Travel | <u>5,000</u> |

| | |
|-------|----------|
| Total | \$62,959 |
|-------|----------|

BOARD OF SUPERVISORS
BUDGET ANALYST

Indirect Costs: None.

Comments:

1. As indicated on the Finance Committee calendar, the proposed resolution authorizes the DPH to augment the AIDS Prevention Project for perinatal services. However, Mr. Tim Piland of the DPH's AIDS Office reports that the proposed augmentation would not be used for perinatal services, and would be used for continuing a wide range of AIDS/HIV programs.

2. As previously noted, the Board of Supervisors authorized the DPH to accept and expend the AIDS/HIV Prevention Project grant (File No. 146-90-111) in the amount of \$4,747,300. As reflected in the budget on the previous page, the DPH only received \$4,689,717. Mr. Harry Mar of the DPH's AIDS Office reports that the difference of \$57,583 was used as direct assistance by the CDC to fund an on-site Advisor. Mr. Mar reports that for the last five years, the CDC has provided the on-site Advisor to the DPH as a separate item in addition to the DPH's grant award. However, for the current AIDS/HIV Prevention Project grant award, the CDC has not provided additional Federal funds, and has instead reduced the local grant award to fund the on-site CDC Advisor.

3. The \$24,500 budgeted for promotions and advertising would be used for promoting counseling and testing, referral for early intervention, health education and risk reduction. These funds would support outreach and evaluation for the WEDGE program, which is a program provided by health educators and persons with AIDS to high school students, San Francisco General Hospital (SFGH) counseling and testing programs, and SFGH's Patient Education Resource Center which provides public information on risk reduction and early intervention. The \$7,000 budgeted for client participation incentives would provide stipends for persons with AIDS who act as educators in the WEDGE program.

4. Local travel includes funds for approximately 15 FTEs from the AIDS Office, 3 staff from San Francisco General Hospital (SFGH), and 2 DPH lab personnel to attend local meetings, and to attend or provide on-site training workshops, and to reimburse DPH personnel for specimen pick-up or delivery. Out-of-Jurisdiction Travel includes funds for 5 AIDS Office FTEs to attend regional, state, or national conferences and required trips to the CDC.

5. The proposed \$10,000 work order for the DPH's Senior Health Services would be used for materials and supplies to prepare a pamphlet which provides outreach and education to San Francisco Seniors, with an emphasis on people of

BOARD OF SUPERVISORS
BUDGET ANALYST

color. No personnel would be included in this work order. As required by the CDC, these services must include education on counseling and testing, and information and referral for early intervention. Mr. Mar also reports that the DPH is currently developing the budget for the \$150,000 work order for the GUD Study at the City Clinic. Mr. Mar indicates that the study will enroll and evaluate patients for one year. Mr. Mar reports that the funds for the GUD Study will likely be used to fund a portion of DPH personnel, and to purchase clinical supplies. The DPH reports that requests for approval of sole-source contractual services would be made at a later date. Mr. Mar reports that the contracts listed in the above budget represent services to be offered, but specific contractors have not yet been selected.

6. Mr. Piland reports that if the proposed grant award is reduced or terminated, then the project positions will be similarly reduced or terminated.

7. Mr. Piland indicates that the DPH did not request additional indirect costs as part of the proposed augmentation budget. Mr. Piland further reports that the initial AIDS/HIV Prevention Project grant award included \$275,400 in indirect costs, which was 20 percent of Personnel costs, not including fringe benefits, based on DPH's Accounting Department calculations. Although the CDC indicated that this level of indirect costs was too high, the CDC funded indirect costs at this level for the original grant. When the DPH submitted their project budget for the proposed augmentation, the DPH did not request any indirect costs. If the DPH would have included 20 percent of personnel for indirect costs in the project budget for the proposed grant, as DPH did in the original grant, this would have resulted in approximately \$52,460 for indirect costs. Exclusion of indirect costs for the proposed grant of \$936,113 should be considered as a separate policy matter by the Board of Supervisors.

8. \$2,000 of the \$3,125 listed as equipment would be used to purchase a personal computer workstation. Mr. Mar reports that the DPH has not yet received Electronic Information Processing Steering Committee (EIPSC) approval for these purchases. Therefore, the Budget Analyst recommends that the \$2,000 designated for the purchase of the personal computer workstation be placed on reserve pending EIPSC approval.

9. Mr. Mar indicates that the proposed augmentation is an award from the CDC which did not require an application. Therefore, the proposed resolution does not include an apply

BOARD OF SUPERVISORS
BUDGET ANALYST

for clause, and only authorizes the DPH to accept and expend the additional grants funds.

10. The "Summary of Grant Request" as prepared by the DPH is attached.

- Recommendations:**
1. Approval for the DPH to exclude indirect costs as a part of the proposed project budget is a policy matter for the Board of Supervisors.
 2. Amend the proposed resolution to reserve the \$2,000 designated for the personal computer workstation and approve the proposed legislation as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item No. He 1 Commission - Summary of Gr. Request

Rev. 4/10/90

Dept of Health and Human Services

Grantor Centers for Disease ControlContact Person Lin Dixon/Jack StubbsAddress 255 East Paces Ferry Road, NEAtlanta, GA 30305Division CO/AIDS DivSection AIDS OfficeContact Person Tim PilandTelephone 554-9132Amount Requested \$ 936,113Application Deadline noneTerm: From 1-1-91 To 12-31-91*Notification Expected 3-8-91Health Commission 4-2-91

Board of Supervisors: Finance Committee

*Term of Original Grant (Project 294/295)

Full Board

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation) to a grant in the amount of \$ 936,113 from the period of 1-1-91 to 12-31-91 to provide supplemental funds to AIDS Prevention Program services.

(Circle appropriate words)

II. Summary: (Concise history; need addressed; number + groups served; services and providers)

These supplemental funds will be used to enhance the current AIDS Prevention Program activities; these include AIDS Counseling, Testing, and Referral services, Partner Notification services, Health Education and Risk Reduction services, Minority Initiatives, as well as Public Information and Early Intervention services.

Overall prevention efforts are a combination of federal, state, and local funding.

III. Outcomes/Objectives:

To provide and enhance the above services to the residents of San Francisco in order to prevent the transmission of the AIDS virus.

IV. Effects of Reduction or Termination of These Funds:

The efforts of the AIDS Office to limit the transmission of the AIDS virus in San Francisco would be severely impaired.

V. Financial Information:

| | 1990 Col. A | 1991 Current Col. B | Supplemental Col. C | Col. D | Req. Match | Approved |
|------------------|------------------|---------------------------|------------------------|---------------------------------------|------------|----------|
| | | | Proposed | Change | | |
| Grant Amount | <u>4,747,933</u> | <u>4,689,717</u> | <u>936,113</u> | <u>936,113</u> | <u>no</u> | <u>✓</u> |
| Personnel | <u>1,676,300</u> | <u>1,734,516</u> | <u>330,500</u> | <u>330,500</u> | | |
| Equipment | <u>6,250</u> | <u>6,250</u> | <u>3,125</u> | <u>3,125</u> | | |
| *Contract Svc. | <u>2,477,156</u> | <u>2,477,156</u> | <u>471,482</u> | <u>471,482</u> | | |
| Mat. & Supp. | <u>54,065</u> | <u>54,065</u> | <u>29,200</u> | <u>29,200</u> | | |
| Facilities/Space | <u>64,795</u> | <u>64,795</u> | <u>49,493</u> | <u>49,493</u> | | |
| Other | <u>77,535</u> | <u>77,535</u> | <u>52,313</u> | <u>52,313</u> | | |
| Indirect Costs | <u>275,400</u> | <u>275,400</u> | <u>not provided</u> | <u>(original grant has \$275,400)</u> | | |

VI. Data Processing

(Costs included above)

VII. Personnel

| | | | |
|-------------|----------------|---------------------------------------|--|
| F/T CSC | <u>37.95</u> | <u>7.29</u> | |
| P/T CSC | | | |
| Contractual | <u>appr 48</u> | <u>TBD during contractual process</u> | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
n/a

Will grant funded employees be retained after this grant terminates? If so, How?
No.

*VIII. Contractual Services: Open Bid no Sole Source (If sole source, attach Request for Exemption Form)

Request(s) for Sole-Source approval of new services will be made at a later date

Item 16 - File 147-91-3

Department: San Francisco Public Library

Item: Resolution to apply for a Federal grant.

Grant Amount: Not to exceed \$35,000

Source of Funds: Federal Library Services and Construction Act (LSCA), Title V Funds through the United States Department of Education

Grant Period: October 1, 1991 through September 30, 1992

Grant Project: Foreign Language Materials Acquisition Program

Required Match: None

Description: The proposed grant would fund books and materials for adults and children in Chinese, Vietnamese and other Asian languages to be placed in the Main Library and the branch libraries.

Grant Budget: As of the writing of this report, the Public Library has not developed a budget for the proposed grant. However, the Department advises that a detailed budget will be provided when the Department submits its request to the Board of Supervisors to accept and expend the proposed grant funds.

Indirect Costs: None

Comments:

1. The application deadline for the proposed grant is May 15, 1991.
2. Ms. Karen Cox of the Public Library reports that the Library is not requesting indirect costs for the proposed grant because the Library believes inclusion of indirect costs in the program budget would decrease the amount of funds available for the purchase of books. Although the Budget Analyst believes that the application for the proposed grant is in the best interests of the City, the exclusion of indirect costs in the project budget is a policy decision for the Board of Supervisors

Recommendation: Approve the proposed resolution. However, the exclusion of indirect costs in the project budget is a policy decision for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 17 - File 148-91-7

Department: Department of Public Works (DPW)

Item: Resolution authorizing the Director of Public Works to apply for, accept and expend Federal Funds for right of way acquisition and construction of the Embarcadero Roadway Project.

Grant Amount: \$47,400,000

Grant Period: Approximately May, 1991 through June, 1994

Source of Funds: Federal Highway Administration (FHWA)

Project: Embarcadero Roadway Project

Description: In 1981, the Federal Highway Administration (FHWA) approved San Francisco's request to withdraw a segment of I-280 from the Interstate Highway System in the vicinity of the Embarcadero, and later authorized the use of FHWA funds for alternative transportation projects in the same corridor. The Embarcadero Roadway Project is one of those projects.

The Board of Supervisors has previously authorized the Department of Public Works to apply for, accept and expend Federal funds from the FHWA for the preliminary engineering of the project, (File No. 148-87-1) on March 13, 1987, and for the final design of the project (File No. 148-90-6) on January 15, 1991. The proposed grant funds would be used for the right-of way acquisition and construction phase of the Embarcadero Roadway Project. The FHWA has granted environmental clearance for the Embarcadero Roadway Project, thereby enabling right-of-way acquisition and construction to begin.

The Embarcadero Roadway Project currently consists of three phases of reconstruction of the surface roadway of the Embarcadero: from North Point to Broadway Street ("North Embarcadero"), Folsom Street to King Street ("South Embarcadero"), and on King Street from The Embarcadero to 6th Street ("King Street"). The Project also consists of construction of medians, bikeways, pedestrian walkways, landscaping, street lighting, synchronized traffic signals, street furniture and the removal of the Belt Line Railroad.

The right-of-way acquisition includes the demolition of buildings on the "North Embarcadero," between Bay Street and North Point, the relocation of tenants and the demolition

BOARD OF SUPERVISORS
BUDGET ANALYST

of buildings on the "King Street" phase and the purchase of property and the demolition of buildings at the Marines Terminal, located between the intersection of the Embarcadero and Steuart Street, and Folsom Street and Howard Street.

Project Budget: The budget for the entire Embarcadero Roadway Project is as follows:

| | <u>Federal Funds</u> | <u>State Funds</u> | <u>Local Funds</u> | <u>Total</u> |
|-------------------------|--------------------------|------------------------|------------------------|------------------|
| Preliminary Engineering | \$ 4,240,000 | \$-0- | \$ 2,460,000 | \$ 6,700,000 |
| Design | 2,730,000 | -0- | 2,810,000 | 5,540,000 |
| Right-of-way | 5,510,000 | -0- | 11,970,000 | 17,480,000 |
| Construction | 34,920,000 | 9,800,000 | 14,580,000 | 59,300,000 |
| Contingency | <u>-0-</u> | <u>-0-</u> | <u>4,680,000</u> | <u>4,680,000</u> |
| Total | \$47,400,000 | \$9,800,000 | \$36,500,000 | \$93,700,000 |

Indirect Costs: The proposed Federal grant does not allow for the reimbursement of indirect costs.

Comments: 1. The above budget includes funds for the entire Embarcadero Roadway Project. However, Ms. Karen Gelman of the DPW reports that the DPW has already received \$4,240,000 in Federal funds for the preliminary engineering (File No. 148-87-1) and \$2,730,000 for the design (File No. 148-90-6) of the Embarcadero Roadway project. The Federal funds which would be provided with the proposed grant are \$5,510,000 for the right-of-way acquisition and \$34,920,000 for construction for a total of \$40,430,000. Therefore, the proposed resolution should be amended to authorize the DPW to apply for, accept, and expend Federal grant funds in the amount of \$40,430,000, instead of \$47,400,000.

2. As reflected in the above budget, the State and local match for the right-of-way, construction, and contingency is \$41,030,000 (\$11,970,000 for right-of-way, \$9,800,000 plus \$14,580,000 = \$24,380,000 for construction and \$4,680,000 for contingency). The source of the State \$9,800,000 match for construction is State Highway funds from the California Transportation Commission.

BOARD OF SUPERVISORS
BUDGET ANALYST

3. The local funds of \$5,270,000 (\$2,460,000 for Preliminary Engineering, and \$2,810,000 for Design) have been financed through a \$1,000,000 PUC cost sharing agreement, \$4,170,000 through the half cent sales tax and \$100,000 through other local funds. The source of the remaining local match of \$31,230,000 for the right of way, construction and contingency is as follows:

| | |
|-----------------------|-------------------|
| Santa Fe Pacific Land | \$11,000,000 |
| Port | 1,000,000 |
| Half Cent Sales Tax | <u>19,230,000</u> |
| Total Local Funds | \$ 31,230,000 |

The Embarcadero Roadway Project will include widening a portion of the existing roadway between 3rd Street and 6th Street, a portion of which will be upon the Santa Fe Pacific Land. The Santa Fe Pacific Land, estimated at \$11 million, will be donated to the DPW. As part of a cost sharing agreement, the Port of San Francisco agreed to fund \$1,000,000 for sewer work on the Embarcadero Roadway Project. Mr. Paul Osmundson of the Port of San Francisco reports that the \$1,000,000 would be funded from the surplus of the Port's Operating Fund. The Port of San Francisco's Accounting Office reports that as of March 31, 1991, there was approximately \$11 million in cumulative surplus in the Operating Fund. Mr. Osmundson indicates that the Port will request a supplemental appropriation when the funds are needed for the proposed Embarcadero Roadway Project.

4. Ms. Carmen Clark, the Director of Plans and Programs for the San Francisco County Transportation Authority reports that the DPW has been authorized to receive \$35 million over twenty years from the half cent sales tax for the Embarcadero Roadway Project. Ms. Gelman reports that for the entire Embarcadero Roadway Project, the DPW will require a total of \$23,400,000 (\$19,230,000 for right-of-way and construction + \$4,170,000 for preliminary engineering and design), and the remaining \$11,600,000 of the \$35 million authorized for the Embarcadero Roadway Project would be used over the remaining twenty years for maintenance.

5. Ms. Clark reports that thus far, the DPW has received a total of \$10,250,000 in local matching funds from the half cent sales tax. Ms. Clark further reports that the DPW has a request of \$11 million for FY 1991-92. To date, these funds have not been approved by the County Transportation Authority. Ms. Clark indicates that she cannot verify whether there will be \$11 million in matching funds available from the half cent sales tax for the Embarcadero Roadway

BOARD OF SUPERVISORS
BUDGET ANALYST

Project in 1991-92 because the final budget has not yet been approved. Total revenues for FY 1991-92 for all projects are estimated at \$45 million.

6. The DPW has completed a "Summary of Grant Request" which is attached.

Recommendation: Amend the proposed resolution to authorize the DPW to apply for, accept and expend a Federal grant in the amount of \$40,430,000 instead of \$47,400,000. Approve the proposed resolution as amended.

Form No. _____ - Summary of Grant Request

Rev. 4/10/90

Grantor Federal Highway Administrator Division DPW - BOE - Project Management
 Contact Person Jake Louie (Caltrans) Section _____
 Address P. O. Box 7791 Contact Person Joe Cheung
San Francisco, Ca. 94120 Telephone 554-8200
 Amount Requested \$47,400,000 Application Deadline None
 Term: From None To _____ Notification Expected N/A
 Board of Supervisors Finance Committee _____
 Full Board _____

I. Item Description: Request to (apply for) (accept and expend) a (new) (confirmation) (allocation) (augmentation to) grant in the amount of \$47,400,000 from the period of N/A to N/A to provide Right-of-Way Acquisition and Construction costs services.

II. Summary: (Concise summary of project purpose and objectives)
 In 1981, FHWA approved San Francisco's request to withdraw the unconstructed segment of I280 from the interstate system in the vicinity of the Embarcadero. FHWA authorized the of highway funds for alternative transportation projects in the same corridor. The Embar is one of those projects. Board Resolution #161-87 authorized the use of Federal Funds for preliminary engineering and Board Resolution #49-91 authorized the use of Federal Funds final design. This proposed Board Resolution will authorize the use of Federal Funds for Right-of-Way acquisition and construction.

III. Outcomes/Objectives: Approval of this Resolution will enable DPW to construct the surface roadway on the Embarcadero from North Point to Broadway and from Folsom to King Street and on King Street from the Embarcadero to 6th Street.

IV. Effects of Reduction or Termination of These Funds: This grant (plus local match) is the only funding source available for the Right-of Way acquisition and construction of this project. Without this fund, this project can not be built.

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Year Outg. | Col. C Proposed | Col. D Change | Req. Match | Approved by |
|------------------|-------------------------|---------------------------|--------------------|------------------|------------|-------------|
| Grant Amount | | | \$47,400,000 | | | |
| Personnel | | | 5,440,000 | | | |
| Equipment | | | 0 | | | |
| Contract Svc. | | | 36,450,000 | | | |
| Mnt. & Supp. | | | 0 | | | |
| Facilities/Space | | | 0 | | | |
| Other | | | 5,510,000 | | | |
| Indirect Costs | | | 0 | | | |

VI. Data Processing

VII. Personnel

F/T CSC

P/T CSC

Contractual

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Item 18 - File 170-91-1

1. The proposed resolution would authorize and direct the sale of General Obligation bonds at a rate not to exceed 11 percent consisting of \$6.5 million in Series 1991D, \$29.0 million in Series 1991E, \$26.4 million in Series 1991F, and \$6.0 million in Series 1991G for a grand total of \$67.9 million, as follows (The City Attorney is submitting amended legislation to increase the Series 1991F total from \$26.4 million to \$26.5 million, resulting in a revised grand total of \$68 million):

Million

Series 1991D: Public Safety Improvement Bonds of 1989

\$6.5

The voters, in November of 1989, approved the issuance of \$59.7 million in General Obligation bonds to make seismic safety improvements to various City buildings. Of the total of \$59.7 million authorized, the City previously issued \$20.5 million in General Obligation bonds. This second issuance would total \$6.5 million (Attachment I summarizes the proposed expenditures related to Fire Department facilities for this Bond issue).

Series 1991E: Various Facilities Improvement Bonds of 1987

29.0

In November, 1987 the electorate approved \$18.0 of General Obligation bonds to fund the improvement and renovation of various Recreation and Park Department facilities. Of the \$18 million authorized, the City has previously issued \$12 million in General Obligation bonds for the renovation of these Recreation and Park facilities. This proposed legislation would approve the issuance of the remaining \$6 million for completion of renovations to Recreation and Park Department facilities (See Attachment II for summary, and also refer to Comment No. 6).

The remaining \$23 million in Series 1991E bonds would fund construction of the Department of Public Health's Mental Health Skilled Nursing Facility at San Francisco General Hospital. The proposed \$23 million issuance is the second of two bond issuances totalling \$26 million. The City previously issued \$3 million in General Obligation bonds for architectural design and engineering for the new facility (Refer to Attachment III for Project summary, and also refer to Comment No. 7).

Series 1991F: Public Safety Improvement Bonds of 1990

\$26.5

A total of \$332.4 million in Public Safety Improvement Bonds were approved by the electorate on June 5, 1990. Of the \$332.4 million authorized, the City has previously issued \$23 million in General Obligation bonds. The proposed legislation authorizes the second issuance of \$26.5 million of these bonds. These \$332.4 million in Public Safety Improvement Bonds are for seismic safety, asbestos abatement and disability access improvements to various City-owned buildings (An updated summary of the projects totalling \$26.5 million is listed in Attachment IV).

Series 1991G: Public Library Facilities Improvement Bonds of 1988 6.0

San Francisco voters previously approved the issuance of \$109.5 million in General Obligation bonds in November of 1988. Of the \$109.5 million, the Board of Supervisors has authorized sales totalling \$19 million in bonds. The \$6.0 million, which is the subject of this legislation, would be the third in the series (The Library Project budget is included in Attachment V).

Total Proposed Bond Sale

\$68.0

2. The proposed resolution would also provide for the following:

- Authorize publication of the official notice relating to the sale of these bonds. The sale is to be held on June 5, 1991.
- Specifying the form and terms of the issuance and authorizing the preparation of the bonds. All bonds to be sold will pay interest not to exceed 11 percent per year and will mature in the year 2011 (20 year terms). Interest will be paid semiannually beginning on December 15, 1991.
- Establishing Special Funds related to the bonds. Property taxes collected to pay off the bonds will be deposited in the Special Funds.
- Approving the official statement relating to the bonds. Copies of the official statement containing the particulars of the bond sale, including a statement of the financial condition of the City, shall be available to all bidders.

- Consenting to the submission of bids by the financial consultants and authorizing official action. Bonds will be awarded to the bidder whose bid represents the lowest interest cost to the City. Such award must be approved by the Board of Supervisors.
- Provides that the City Treasurer may appoint fiscal agents or financial institutions to distribute bond interest payments.

Comments

1. Approval of this resolution would permit the sale of the bonds and the depositing of the bond proceeds in the designated Special Funds. However, all future appropriations of these Bond Fund monies would be subject to separate approval by the Mayor and the Board of Supervisors through Supplemental Appropriation Ordinances.

2. The proposed resolution states that the bonds will not exceed a maximum annual interest rate of 11 percent. However, Mr. Peter Miller of the CAO's Office reports that if the bonds were sold today, the bonds would probably be sold at between 6.5 percent and 7.0 percent annual interest rate.

3. Mr. Miller estimates that on a 20-year basis, and assuming an interest rate of approximately 6.54 percent, which is the current prevailing rate, the proposed \$68.0 million bond redemption would result in a total bond interest cost of approximately \$47.9 million and a total debt service requirement of approximately \$115.9 million. Over the 20-year period, this would result in an average debt service of approximately \$5.8 million per year. According to Mr. Miller, for the first year of the 20-year term of the bonds, an interest rate of approximately 6.54 percent would result in a debt service cost of approximately \$8,145,000, or an approximately \$.01 per \$100 assessed value increase in the property tax rate. At this rate, the owner of a house assessed at \$265,000 would pay approximately \$25.80 in additional property taxes for the first year of the 20 years of the bond issue. The property tax rate would gradually decline as the bonds are retired over the 20 year period.

4 The City's bonding capacity, which is equal to three percent of the City's total assessed property value, is approximately \$1.6 billion. Mr. Miller advises that the City's present amount of General Obligation bonds outstanding is \$360 million. Therefore, the net available bonding capacity is \$1.24 billion. The proposed sale of \$68.0 million of General Obligation bonds would reduce the City's bonding capacity to approximately \$1.172 billion.

5. As previously noted, this legislation does not permit any bond fund expenditures. Any such expenditures must be subsequently appropriated by the Board of Supervisors.

6. Attachment II summarizes the estimated remaining expenditures of \$7,898,431 for the Recreation and Park bond funds. Ms. Deborah Learner of the Recreation and Park Department advises that the total of \$7,898,431 includes the proposed bond issue of \$6 million, with the remaining \$1,898,431 coming from previously issued bond funds and interest earnings from the bond funds.

7. Attachment III summarizes the total project budget of \$28,477,300 for the Mental Health Skilled Nursing Facility at San Francisco General Hospital. Funding (\$26,092,654 needed), including construction, construction contingency, and construction management, would come from the proposed second bond sale (\$23 million), interest earned on the bonds (\$2,400,000), the remaining proceeds from the first bond sale of \$3 million (\$615,354), and energy conservation funds from the PUC (\$77,300).

8. As noted in Attachment IV, \$18,366,998 of the total of \$26.5 million is budgeted for seismic repairs at City Hall. The \$18,366,998 represents 69 percent of the total proposed sale of \$26.5 million.

Recommendation

Approve the proposed Amendment of the Whole to increase the Series 1991A bonds from \$26.4 million to \$26.5 million and to increase the total sale from \$67.9 million to \$68.0 million, and approve the proposed resolution, as amended.

EARTHQUAKE SAFETY PROGRAM - PHASE I NOVEMBER 1989
\$ 59.7 MILLION

BOND SALE SUMMARY

MAY 1991

| | ORIGINAL BUDGET | PRE-BOND SUPPLEMENTAL ORD. #1172-90 | SUPPLEMENTAL REQUEST | SUPPLEMENTAL REQUEST RESERVE | MAY 1990 FIRST BOND SALE | JUNE 1991 SECOND BOND SALE |
|--|--------------------|---|-------------------------|------------------------------------|-----------------------------|-------------------------------|
| BUILDING | | | | | | |
| 1 SFSD STATION # 1 | 3,484,000 | 383,500 | 3,433,000 | 0 | 3,487,000 | 0 |
| 2 SFSD STATION # 2 | 3,487,000 | 54,000 | 0 | 0 | 0 | 0 |
| 3 SFSD STATION # 7 | 1,061,000 | 0 | 0 | 0 | 0 | 0 |
| 4 SFSD STATION # 8 | 1,480,000 | 54,000 | 1,396,000 | 0 | 1,450,000 | 0 |
| 5 SFSD STATION # 11 | 595,000 | 0 | 0 | 0 | 0 | 0 |
| 6 SFSD STATION # 15 | 770,000 | 0 | 0 | 0 | 0 | 0 |
| 7 SFSD STATION # 21 | 594,000 | 0 | 0 | 0 | 0 | 0 |
| 8 SFSD STATION # 24 | 1,996,000 | 54,000 | 311,395 | 0 | 365,295 | 1,650,705 |
| 9 SFSD STATION # 31 | 2,505,000 | 0 | 0 | 0 | 0 | 490,540 |
| 10 SFSD STATION # 36 | 625,000 | 0 | 0 | 0 | 0 | 0 |
| 11 SFSD STATION # 37 | 1,888,000 | 54,000 | 603,967 | 0 | 662,967 | 1,225,033 |
| 12 SFSD STATION # 38 | 620,000 | 0 | 0 | 0 | 0 | 0 |
| 13 SFSD STATION # 39 | 1,446,000 | 0 | 0 | 0 | 0 | 273,196 |
| 14 SFSD STATION # 40 | 1,954,000 | 54,000 | 363,578 | 0 | 417,578 | 1,456,422 |
| 15 SFSD ARSON TASK FORCE | 1,954,000 | 54,000 | 586,000 | 0 | 640,000 | 0 |
| 16 SFSD ASHBURY TANK | 294,000 | 0 | 0 | 0 | 0 | 0 |
| 17 SFSD OLD STATION # 21 | 1,091,000 | 0 | 0 | 0 | 0 | 0 |
| 18 SFSD PUMP STATION # 1 | 2,121,000 | 42,420 | 0 | 0 | 42,420 | 0 |
| 19 SFSD HEADQUARTERS BUILDING | 4,616,000 | 58,840 | 10,400 | 0 | 69,240 | 913,771 |
| 20 LUH BOILER/EQUIPMENT | 1,862,000 | 86,265 | 1,775,732 | 0 | 1,862,000 | 0 |
| 21 CAS CORRELL HALL | 1,887,000 | 47,270 | 1,446,730 | 0 | 1,887,000 | 0 |
| 22 CAS IZON/RESEARCH | 2,001,000 | 0 | 1,075,000 | 0 | 1,075,000 | 0 |
| 23 FAN LEGION OF HONOR | 11,232,000 | 26,268 | 6,072,732 | 4,968,517 | 6,098,000 | 0 |
| 24 FAN EXISTING MAIN LIBRARY | 9,420,000 | 126,286 | 1,316,732 | 1010660 | 1,443,000 | 0 |
| SUBTOTAL | 67,872,000 | 1,074,834 | 17,802,166 | 6,972,290 | 18,877,000 | 5,965,715 |
| 25 PLANNING AND ASSESSMENT | 1,800,000 | 396,000 | 1,126,000 | 0 | 1,453,000 | 337,000 |
| 26 PROJECT CONTINGENCY | 28,000 | 0 | 0 | 0 | 0 | 83,785 |
| SUBTOTAL | 59,700,000 | 1,472,834 | 18,927,166 | 6,972,290 | 20,340,000 | 6,396,500 |
| 27 Chief Administrative Officer | - | 0 | 0 | 0 | 0 | 2,000 |
| 28 City Attorney | - | 60,000 | 0 | 0 | 60,000 | 90,000 |
| 29 Controller | - | 100,000 | 0 | 0 | 100,000 | 11,500 |
| SUBTOTAL | 59,700,000 | 1,572,834 | 18,927,166 | 6,972,290 | 20,500,000 | 6,500,000 |

The Park Facilities Improvements spending plan will implement improvements at six park sites:

- | | | |
|----|--|--------------|
| 1. | <u>Buena Vista Park</u> Erosion control and urban forestry work will continue, reconstruction of tennis courts. | \$ 368,000 |
| 2. | <u>Portsmouth Square</u> Improvements to the entire plaza. Phase I - Completion of Restrooms/elevators Phase II - upper plaza and play area. Phase III - lower plaza and community/senior room. | \$2,454,000 |
| 3. | <u>Lake Merced</u> Major safety and rehabilitation work will be implemented with bond funds. Multi-purpose trail, pedestrian bridge access and repair, improvement of parking areas east and west of the viaduct. | \$1,325,000 |
| 4. | <u>John McLaren Park</u> Elements to be implemented include: redesign of the reservoir for recreational use, trail improvements, rehabilitation of amphitheater and restrooms. Design and construction of a park center may be deferred until additional interest earnings are available. | \$ 2,350,400 |
| 5. | <u>Crocker Amazon</u> Monies from this supplemental will be used to augment funding for Phase II irrigation and lighting. | \$ 340,000 |
| 6. | <u>Kezar Stadium</u> While this project contract is completed, some bond interest earning funds will be used to settle claims and fund change orders that exceeded original budget estimates. | \$ 770,600 |

| | |
|----------|-------------|
| Subtotal | \$7,608,000 |
|----------|-------------|

Miscellaneous project services:

| | |
|------------------------|-------------|
| Planner IV (3 Years) | |
| Legal expenses, COMCAP | |
| Subtotal | \$ 290,431 |
| Total | \$7,898,431 |

PROPOSED PROJECT BUDGET

CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS
BUREAU OF ARCHITECTURE

PROJECT: MENTAL HEALTH SKILLED NURSING FACILITY
1987 GENERAL OBLIGATION BOND PROGRAM
CLIENT: DEPARTMENT OF PUBLIC HEALTH
SCOPE: NEW LONG-TERM CARE PSYCHIATRIC FACILITY AT
SAN FRANCISCO GENERAL HOSPITAL

JOB ORDER: 4686A

DATE: 03/07/91

REVENUES

| SOURCES | CURRENT AMOUNT | COMMENTS |
|-------------------------------|----------------|---|
| 1ST BOND SALE | 3,000,000 | JUNE 1988 |
| 2ND BOND SALE | 23,000,000 | JUNE 1991 |
| INTEREST ON BONDS | 2,400,000 | 80% OF PROJECTED INTEREST EARNINGS OF \$3,000,000 |
| PUG ENERGY CONSERVATION FUNDS | 77,300 | 77,300 ALTERNATE DESIGN TO CONNECT TO SERVICES BUILDING |
| TOTAL PROJECT | 28,477,300 | |

BUDGET

| TASKS | PROPOSED BUDGET | % OF CONST | EXPENDED AS OF 01/18/91 | COMMENTS |
|--|-----------------|------------|-------------------------|---------------------|
| PROJECT MANAGEMENT - BOA/PM | 428,000 | 2.0% | 387,077 | |
| CONSULTING ARCHITECT - KMD | 1,042,000 | 7.5% | 1,350,237 | |
| EIR CONSULTANT | 202,000 | 0.9% | 188,287 | |
| BOE SURVEY | 18,000 | 0.1% | 15,408 | |
| DEPARTMENT OF CITY PLANNING | 35,000 | 0.2% | 34,735 | |
| SOILS CONSULTANT | 34,000 | 0.2% | 33,134 | |
| SUB-TOTAL: DESIGN | 1,931,000 | 8.9% | 1,601,802 | |
| CONSTRUCTION CONTRACT BASE BID | 21,211,000 | 97.3% | 0 | BASE BID |
| ADOLESCENT FACILITY INTERIOR | 420,000 | 1.9% | 0 | ADD ALTERNATE NO. 1 |
| CARD KEY SYSTEM UPGRADE | 117,000 | 0.5% | 0 | ADD ALTERNATE NO. 2 |
| MECH. SYSTEM CONNECTION TO SERVICE BLDG. | 40,000 | 0.2% | 0 | ADD ALTERNATE NO. 3 |
| UTILITY CONNECTIONS | 10,000 | 0.0% | 0 | |
| CONSTRUCTION CONTINGENCY | 1,528,000 | 7.0% | 0 | |
| SUB-TOTAL: CONSTRUCTION | 23,324,000 | | 0 | |
| CONSTRUCTION ADMINISTRATION - BOA/AD | 388,000 | 1.8% | 0 | |
| INSPECTION - BOA/CS | 312,000 | 1.4% | 0 | |
| CONSULT ARCHITECT CM SERVICES | 348,000 | 1.8% | 0 | |
| SUB-TOTAL: CONSTRUCTION MANAGEMENT | 1,048,000 | 4.8% | 0 | |
| MISCELLANEOUS | | | | |
| ASBESTOS MONITORING DURING EXCAVATION | 50,000 | 0.2% | 0 | |
| MATERIAL TESTING | 80,000 | 0.4% | 0 | |
| PLAN CHECK - OSHPD | 310,000 | 1.4% | 301,000 | |
| DPH PROJECT SERVICES | 400,000 | 1.8% | 58,878 | |
| FINANCIAL/LEGAL SERVICES | 130,000 | 0.6% | 27,238 | |
| CITY ADMINISTRATIVE COSTS | 5,000 | 0.0% | 1,700 | |
| ART ENRICHMENT | 380,000 | 1.6% | 7,360 | |
| SUB-TOTAL: MISCELLANEOUS COSTS | 1,325,000 | 6.1% | 395,767 | |
| PROJECT RESERVE | 428,300 | 2.0% | | |
| TOTAL PROJECT | 28,477,300 | | 2,384,646 | |

EARTHQUAKE SAFETY PROGRAM - PHASE 2 JUNE 1990

\$ 332.4 MILLION

24 APRIL 1991

BOND SALE SUMMARY

| BUILDING | ORIGINAL BUDGET | PRE-BOND SUPPLEMENTAL ORD. #534-90 | SUPPLEMENTAL REQUEST | SUPPLEMENTAL REQUEST RESERVE | JANUARY 1991 FIRST BOND SALE | JUNE 1991 SECOND BOND SALE |
|---------------------------------------|--------------------|--|-------------------------|------------------------------------|---------------------------------|-------------------------------|
| 1 Bernal Heights Library | 424,100 * | 0 | 14,000 | 0 | 14,000 | 0 |
| 2 Candlestick Stadium | 629,000 | 0 | 0 | - | 0 | 0 |
| 3 Civic Center | 171,600 | 0 | 0 | - | 0 | 0 |
| 4 City Hall | 128,540,500 | 758,972 | 500,000 | 1,264,972 | 1,264,972 | 18,366,998 |
| 5 City Hall Annex | 136,000 | 0 | 44,000 | 0 | 44,000 | 92,000 |
| 6 Civic Auditorium | 27,709,000 | 6,972 | 3,318,108 | 0 | 3,325,080 | 1,242,834 |
| 7 Davies Hall | 760,000 | 0 | 91,200 | 0 | 91,200 | 119,600 |
| 8 De Young Museum Complex | 588,950 | 0 | 57,600 | 48,960 | 57,600 | 10,000 |
| 9 DPH Hdqrs. | 17,735,100 | 81,972 | 600,000 | 0 | 681,972 | 1,088,000 |
| 10 DPH Hdqrs. | 179,000 | 0 | 179,000 | 0 | 179,000 | 0 |
| 11 DSH Office- 150 Ohio St. | 64,800 | 0 | 64,800 | 0 | 64,800 | 46,000 |
| 12 EDP Building | 213,800 | 0 | 0 | - | 0 | 0 |
| 13 Eureka Branch Library | 517,800 * | 0 | 16,000 | 0 | 16,000 | 0 |
| 14 Excelsior Library | 314,200 * | 0 | 12,000 | 0 | 12,000 | 0 |
| 15 General Hospital Complex | 3,027,000 | 0 | 1,537,668 | 827,024 | 1,537,668 | 0 |
| 16 Golden Gate Library | 674,500 * | 0 | 16,000 | 0 | 16,000 | 0 |
| 17 Hall of Justice | 542,600 | 0 | 65,112 | 0 | 65,112 | 477,488 |
| 18 Ingerside Police Station | 1,019,000 * | 101,900 | 917,100 | 0 | 1,019,000 | 0 |
| 19 Laguna Honda Hospital | 436,000 | 0 | 300,000 | 204,080 | 300,000 | 136,000 |
| 20 Legion of Honor | 90,000 | 0 | 90,000 | 0 | 90,000 | 0 |
| 21 Main Library | 5,280,000 | 0 | 1,056,000 | 789,582 | 1,056,000 | 1,944,000 |
| 22 Marina Branch Library | 534,800 * | 0 | 16,000 | 0 | 16,000 | 0 |
| 23 Marina Green- West End Restrooms | 2,271,800 | 227,180 | 2,044,620 | 1,817,440 | 2,271,800 | 0 |
| 24 Marina Green- West End Restrooms | 168,400 | 0 | 0 | - | 0 | 168,400 |
| 25 Mission Barnett Parking Garage | 18,000 | 0 | 0 | - | 0 | 0 |
| 26 Mission Library | 100,000 | 0 | 0 | - | 0 | 0 |
| 27 Music Concourse | 7,450,000 | 0 | 894,000 | 0 | 894,000 | 176,000 |
| 28 North Beach Library | 765,600 * | 0 | 20,000 | 0 | 20,000 | 0 |
| 29 Opera House | 42,225,900 | 6,972 | 500,000 | 0 | 506,972 | 0 |
| 30 Ortega Library | 425,800 * | 0 | 14,000 | 0 | 14,000 | 0 |
| 31 Palace of Fine Arts/Explor | 645,000 | 0 | 77,400 | 0 | 77,400 | 569,600 |
| 32 Park Police Station | 1,025,000 * | 0 | 123,000 | 0 | 123,000 | 0 |
| 33 Police Academy | 18,000 | 0 | 18,000 | 0 | 18,000 | 0 |
| 34 Purchaser's Main Shop Building | 18,000 | 0 | 18,000 | 0 | 18,000 | 0 |
| 35 Purchaser's Office & Sub-shops | 18,000 | 0 | 18,000 | 0 | 18,000 | 0 |
| 36 San Bruno Men's Jail | 10,700,000 * | 0 | 1,284,000 | 1,034,000 | 1,284,000 | 0 |
| 37 San Bruno Women's Jail | 894,000 | 0 | 102,489 | 0 | 102,489 | 751,500 |
| 38 South of Market Cultural Center | 18,000 | 0 | 18,000 | 0 | 18,000 | 0 |
| 39 St. Mary's Garage | 534,000 | 53,400 | 480,600 | 416,620 | 534,000 | 0 |
| 40 Travel Police Station | 18,000 * | 0 | 18,000 | 0 | 18,000 | 0 |
| 41 Turk St. Sub-Station | 18,000 | 0 | 18,000 | 0 | 18,000 | 0 |
| 42 Veterans Building | 40,965,000 | 6,972 | 500,000 | 0 | 506,972 | - |
| 43 West Portal Library | 771,300 * | 0 | 21,000 | 0 | 21,000 | 0 |
| 44 Western Addition Library | 440,200 * | 0 | 14,000 | 0 | 14,000 | 0 |
| 45 Youth Guidance Center | 794,200 | 0 | 794,200 | 0 | 794,200 | - |
| 46 S.F. Zoo Subsurface Infrastructure | 28,000,000 | 760,000 | 31,962 | - | 791,962 | - |
| SUBTOTAL | 328,640,000 | 2,002,340 | 15,805,650 | 5,137,608 | 17,908,191 | 25,208,600 |

* : THE EARTHQUAKE REPAIR COMPONENT FOR THESE PROJECTS IS INCLUDED IN LINE 48

PRIMARY CONTACTS : MARK A. PRIMEAU , BUREAU OF ARCHITECTURE, 653-1065 OR 654-8486 ; JORGE ALFARO, BUREAU OF ARCHITECTURE, 654-8487

** : BOND COUNSEL AND FINANCIAL ADVISOR WILL BE PAID DIRECTLY OUT OF BOND PROCEEDS.

1 : \$31,966 INCLUDED FOR RECREATION/PARK SALARIES APPROPRIATED FROM \$760,000 IN PRE-BOND SUPPLEMENTAL

2 : \$3,693,420 ORIGINAL APPROPRIATION (+) \$31,962 = \$3,661,458

EARTHQUAKE SAFETY PROGRAM - PHASE 2 JUNE 1990

\$ 332.4 MILLION

24 APRIL 1991

BOND SALE SUMMARY

| | | | | | | | | |
|----------|------------------------------------|-------------|-----------|------------|-----------|------------|------------|---|
| 47 | Asbestos Set-aside | 2,900,000 | 0 | 0 | - | 0 | 0 | 0 |
| 48 | Minor Earthquake Damage | 1,940,000 | 1,018,000 | 922,000 | 340,688 | 1,940,000 | 0 | 0 |
| 49 | Planning and Assessment | 1,890,000 | 0 | 0 | - | 0 | 250,000 | 0 |
| 50 | D.P.W. Program Management/Control | - | 608,080 | 2,340,700 | 0 | 2,948,780 | 0 | 0 |
| 51 | PROJECT CONTINGENCY | - | 0 | 268,667 | 0 | 268,667 | 0 | 0 |
| SUBTOTAL | | 332,400,000 | 3,628,420 | 19,335,217 | 5,478,294 | 22,063,638 | 28,356,000 | 0 |
| 52 | Chief Administrative Officer | - | 0 | 3,326 | 0 | 3,326 | 7,000 | 0 |
| 53 | City Attorney | - | 40,000 | 0 | - | 40,000 | 40,000 | 0 |
| 54 | Contractor | - | 25,000 | 0 | - | 25,000 | 47,000 | 0 |
| SUBTOTAL | | 332,400,000 | 3,693,420 | 19,338,542 | 5,478,294 | 22,131,963 | 28,601,000 | 0 |
| 46 | S.F. Zoo Subsurface Infrastructure | - | (31,962) | - | - | - | - | - |
| TOTAL | | | 3,661,458 | 19,338,542 | 5,478,294 | 22,100,000 | 28,600,000 | 0 |

*: THE EARTHQUAKE REPAIR COMPONENT FOR THESE PROJECTS IS INCLUDED IN LINE 48

PRIMARY CONTACTS: MARK A. PRIMEAU, BUREAU OF ARCHITECTURE, 653-1055 OR 654-4446; JOBBIE ALFARO, BUREAU OF ARCHITECTURE, 654-4487

*: BOND COUNSEL AND FINANCIAL ADVISOR WILL BE PAID DIRECTLY OUT OF BOND PROCEEDS.

1: \$31,962 INCLUDED FOR RECREATION/PARK SALARIES APPROPRIATED FROM \$760,000 IN PRE-BOND SUPPLEMENTAL

2: \$3,693,420 ORIGINAL APPROPRIATION (-) \$31,962 = \$3,661,458

**FUNDING DESCRIPTION
1988 LIBRARY BOND, SALE #3**

June 1991 - \$6,000,000

The bond sale will cover projected expenditures as follows:

Bureau of Architecture staff salaries - 3 years: \$2,650,000

Principal Architect, Project Manager, architectural staff, clerical staff and Inspectors during the Construction Documents, Early Excavation, Bid and initial 18 months of construction on the New Main Library.

Library staff salaries - 3 years: \$ 670,000

Chief Librarian and 2 support staff members managing the Main Library and Branch Library renovations.

Art Enrichment Program - Phase 2: \$ 300,000

Funding for the 2nd phase (design development) of the artists' contracts; administration by Arts Commission staff.

Early Excavation Project: \$1,200,000

To fund the construction documents and construction of a partial excavation project to uncover any archeological, historical or otherwise unknown conditions that might otherwise delay the prime construction contract.

Branch Library Renovations: \$1,000,000

\$4 million (of \$5 million budgeted) has been previously sold; the remaining funds will provide for additional in-house design and construction management services and construction.

Contingencies: \$ 180,000

TOTAL \$6,000,000

Item 19 - File 101-90-43.1

Note: This item was continued from the Finance Committee's meeting of April 24, 1991.

Department: Sheriff's Department

Item: Request for release of reserve funds

| | | |
|----------------|-------------------|--|
| Amount: | \$5,760,120 | Proposition A Correctional Facilities Improvement Bond funds |
| | <u>31,422,457</u> | State Proposition 52 and 86 Grant funds |
| | \$37,182,577 | Total |

Source of Funds: State Propositions 52 and 86 Grant funds

Description: In February of 1991, the Board of Supervisors approved a supplemental appropriation in the amount of \$16,500,000 funded from local Proposition A Correctional Facilities Improvement Bond funds. Of the total appropriated, \$5,760,120 was reserved for construction costs on Jail #3. The Sheriff's Department is now requesting that these funds be released from reserve to be reallocated to the construction of the New Sheriff's facility at the Hall of Justice. The New Sheriff's Facility consists of new intake/booking/release, work furlough, and medical facilities.

In March of 1991, the Board of Supervisors approved a resolution authorizing the Sheriff's Department to accept and expend \$39,488,087 in State Proposition 52 and 86 Grant funds for construction and renovation of the City's jail facilities. Of the total, the Finance Committee placed \$33,558,056 on reserve pending certification of the successful bid, the provision of MBE/WBE/LBE information by the Department and approval by the Human Rights Commission. The Sheriff's Department is now requesting that \$31,422,457 of these funds be released from reserve to pay for the construction of the New Sheriff's Facility.

Mr. Gerald Costanzo of DPW advises that the actual bids were higher than the final estimates provided by the architects, which has forced DPW to revise the construction budget. Mr. Costanzo has provided the following revised budget for the construction of the New Sheriff's Facility at the Hall of Justice:

Projected Costs:

| | |
|-----------------------------|------------------|
| Construction Cost (low bid) | \$39,117,000 |
| Contingency | <u>3,911,700</u> |
| Total | 43,028,700 |

Sources:

| | |
|---|------------------|
| Reserved Proposition 52 and 86 grant funds | \$31,422,457 |
| Proposition 52 and 86 grant funds not on reserve | 2,442,470 |
| Reserved Proposition A Correctional Facilities Improvement Bond funds | 5,760,120 |
| Proposition A Bond funds not on reserve | <u>3,403,653</u> |
| Total | \$43,028,700 |

DPW received the following bids for the construction of the New Sheriff's Facility:

| | |
|---|--------------|
| Stolte Construction | \$39,117,000 |
| Swinerton and Walberg | 39,508,000 |
| Amoroso/Roebbelen (MBE) - Joint Venture | 40,947,000 |
| Perini Corporation | 41,190,000 |
| Sumitomo Construction America, Inc. | 41,751,000 |
| Continental Heller Construction | 44,101,000 |

Stolte Construction is the low bidder, and would be awarded the contract pending the certification of the bid by the HRC. Stolte Construction is neither an MBE, a WBE firm, nor a LBE firm.

According to information provided by DPW, the bid includes subcontractor amounts that shows local MBE/WBE participation of 3.4 percent (\$1,337,569) and non-local MBE/WBE participation of 16.8 percent (\$6,578,000), for a total of 20.2 percent MBE/WBE participation.

Comments:

1. The Human Rights Commission has not completed its certification of the bid by Stolte Construction and its review of the MBE/WBE/LBE participation by the proposed subcontractors and suppliers. Mr. Ed Lee, Director of the HRC, has advised that the HRC is in the process of negotiations with the low bidder to further identify and encourage the use of MBE/WBE subcontractors and suppliers of construction materials, and as of the writing of this report, the HRC has not completed these negotiations with the low bidder. Mr. Lee will be available to report on HRC's review

BOARD OF SUPERVISORS
BUDGET ANALYST

and negotiations with the low bidder at the May 1, 1991 Finance Committee meeting.

2. Mr. Costanzo further advises that DPW aggressively sought MBE/WBE participation for the construction project and provided the following details of their efforts:

- The construction management consultant for DPW and the Sheriff's Department solicited 80 MBE/WBE firms through the Women Construction Owners and Executives list of MBE/WBE's and the HRC's 90-91 MBE/WBE Construction Directory.
- DPW arranged for two pre-bid conferences in order to encourage MBE/WBEs to bid on the project as a "joint-venture or as a subcontractor. DPW reports that the second pre-bid conference was specifically arranged for MBE/WBE firms.
- DPW sent the City's list of MBE/WBE contractors to all potential General Contractors.

Recommendation: Approve the request for release of \$5,760,120 in reserved Proposition A Bond fund monies and \$31,422,457 in State Proposition 52 and 86 Grant funds for the construction of the New Sheriff's Facility pending the HRC's completion of negotiations with the low bidder and a report to the Finance Committee on the results of those negotiations.

Continue to reserve \$2,135,599 (\$33,558,056 less \$31,422,457) in State Proposition 52 and 86 Grant funds.

Memo to Finance Committee
May 1, 1991

Item 20 - File 101-90-34.1

Department: Public Utilities Commission (PUC)
Water Department

Item: Release of Reserve Funds to continue the City's Mandatory Rationing Program through the end of the fiscal year.

Amount: \$272,106

Source of Funds: Previously appropriated Water Department revenues

Description: The Board of Supervisors previously approved a Supplemental Appropriation Ordinance (File 101-90-34) totalling \$658,386 to provide funds to continue the City's mandatory water rationing and conservation program from January 1, 1991 through June 30, 1991. The funds were to be used to pay for existing temporary salaries, overtime and other related expenses as follows:

| <u>Description</u> | <u>Rationing Program</u> | <u>Conservation Program</u> | <u>Contingency</u> | <u>Total</u> |
|--------------------|--------------------------|-----------------------------|--------------------|------------------|
| Temp. Sal. | \$367,080 | | | \$367,080 |
| Overtime | 30,000 | \$1,250 | \$10,000 | 41,250 |
| Retirement | 59,562 | 187 | 1,500 | 61,249 |
| Health | <u>13,207</u> | | | <u>13,207</u> |
| Subtotal | | | | |
| Salaries | \$469,849 | \$1,437 | \$11,500 | \$482,786 |
| DP/WP Svcs | | | \$25,000 | \$25,000 |
| Contract Svcs | | \$3,300 | | 3,300 |
| Travel | | 2,500 | | 2,500 |
| Other Svcs | | 43,500 | 56,000 | 99,500 |
| Mat. & Supplies | | 20,600 | 700 | 21,300 |
| Fixed Charges | | 9,000 | | 9,000 |
| Misc. Depts. | | <u>15,000</u> | | <u>15,000</u> |
| Subtotal | | | | |
| Non Salaries | \$0 | \$93,900 | \$81,700 | \$175,600 |
| Grand Total | <u>\$469,849</u> | <u>\$95,337</u> | <u>\$93,200</u> | <u>\$658,386</u> |

Based on a recommendation by the Mayor's Office, the Board of Supervisors placed \$272,106 (\$93,200 for contingencies plus \$178,906, for the rationing program) of the \$658,386 on reserve

BOARD OF SUPERVISORS
BUDGET ANALYST

pending the need to actually continue the rationing program after April of 1991.

The Water Department is now requesting the release of the entire \$272,106 which was placed on reserve, in order to provide continued funding for the City's water rationing program through June 30, 1991. Based on actual expenditures for the period January 1, 1991 to March 31, 1991, the Water Department's total projected expenditure for the water rationing and conservation program for January 1, 1991 through June 30, 1991 is as follows:

| <u>Description</u> | <u>Actual Expenditures (1/1/91-3/31/91)</u> | <u>Projected Expenditures (4/1/91-6/30/91)</u> | <u>Total Projected Expenditures</u> |
|--------------------|---|--|---|
| Temp. Salaries | \$135,482 | \$123,728 | \$259,210 |
| Overtime | 24,843 | 100,000 | 124,843 |
| Fringe Benefits | <u>33,076</u> | <u>55,932</u> | <u>89,008</u> |
| Subtotal | \$193,401 | \$279,660 | \$473,061 |
| DP/WP Svcs | 0 | 25,000 | 25,000 |
| Contract Svcs | 26,788 | 0 | 26,788 |
| Travel | 1,275 | 0 | 1,275 |
| Other Svcs | 52,007 | 51,157 | 103,164 |
| Mat. & Supplies | 5,098 | 0 | 5,098 |
| Fixed Charges | 9,000 | 0 | 9,000 |
| Svcs. Other Depts. | <u>15,000</u> | <u>0</u> | <u>15,000</u> |
| Subtotal | <u>\$109,168</u> | <u>\$76,157</u> | <u>\$185,325</u> |
| Total | \$302,569 | \$355,817 | \$658,386 |

Comment:

The PUC reports that Contract Services increased by \$23,488 from \$3,300 to \$26,788 primarily because the Water Department incurred additional advertising costs (i.e. radio and billboard) due to a public information program, on water rationing and conservation, that was coordinated with other local water districts.

Recommendation:

Approve the proposed release of reserve funds in the amount of \$272,106.

Memo to Finance Committee
May 1, 1991

Item 21 - File 127-91-2

Note: This item was continued by the Finance Committee at its meeting of April 24, 1991.

This item is a hearing to consider the present efforts by the Controller and the Tax Collector's Office to maximize revenue collections and to identify potential revenues that can be collected from potential taxpayers and actual scofflaws in regards to business registration, payroll and gross receipts tax payments.

The fiscal year 1990-91 Annual Appropriations Ordinance includes the following estimated revenues:

| | |
|---------------------------|--------------------|
| Business Registration Tax | \$ 7,400,000 |
| Gross Receipts Tax | 21,500,000 |
| Payroll Tax | <u>126,100,000</u> |
| Total | \$155,000,000 |

Mr. Richard Sullivan of the Tax Collector's Office reports that current projections indicate that the Tax Collector's Office will receive the total fiscal year 1990-91 budgeted amount of revenues for the business registration, gross receipts and payroll taxes.

The following chart provides a breakdown of the number of San Francisco businesses and businesses outside of San Francisco that registered in calendar years 1988, 1989 and 1990:

| | <u>1988</u> | <u>1989</u> | <u>1990</u> |
|------------------------------|--------------|--------------|--------------|
| <u>Businesses Registered</u> | | | |
| San Francisco | 47,589 | 49,260 | 50,897 |
| Outside San Francisco | <u>3,798</u> | <u>5,309</u> | <u>5,820</u> |
| Total | 51,387 | 54,569 | 56,717 |

The above chart indicates the number of businesses that registered in San Francisco, however, some businesses were delinquent in paying the registration fees and businesses with an annual income of less than \$15,000 are exempt from paying this registration fee. The current annual business registration fee is \$150.

The following chart provides a breakdown of both the number of businesses and the revenues from businesses in San Francisco and outside of San Francisco that have paid the City's payroll and gross receipts taxes in calendar year 1988, 1989 and 1990.

| | <u>1988</u> | <u>1989</u> | <u>1990</u> |
|---|-------------|-------------|-------------|
| <u>Number of Businesses Paying Payroll/Gross Receipts Taxes</u> | | | |
| San Francisco | 5,708 | 6,037 | 5,381 |
| Outside San Francisco | <u>405</u> | <u>423</u> | <u>343</u> |
| Total | 6,113 | 6,460 | 5,724 |

| | | | |
|---|------------------|------------------|------------------|
| <u>Revenues Collected from Payroll/Gross Receipts Taxes</u> | | | |
| San Francisco | \$122,327,193 | \$130,818,013 | \$122,084,571 |
| Outside of San Francisco | <u>4,318,975</u> | <u>4,637,385</u> | <u>3,839,834</u> |
| Total | \$126,646,168 | \$135,455,398 | \$125,924,405 |

According to Mr. Victor Wong of the Tax Collector's Office, the number of businesses and the revenues for 1990 is less than 1989 or 1988 because the 1990 data is incomplete, primarily because the delinquent accounts and the results from audited businesses have not yet been included in the 1990 data. It should also be noted that the City's gross receipts taxes for 1989 was 1.6 percent for the entire year. The 1990 tax rate was 1.6 percent for the first six months of the year and 1.5 percent for the last six months of the year, the same rate as in 1988. The significant difference between the number of registered businesses and the number of businesses that paid the City's payroll and gross receipts taxes is because the taxes are only assessed on registered businesses whose tax liability is greater than \$2,500.

Mr. Sullivan reports that 151 businesses or 37 percent of the 405 businesses located outside of San Francisco that paid the City's payroll and gross receipts taxes in 1988 were contractors. Similarly, of the 423 businesses outside of San Francisco in 1989, 159 businesses or 38 percent were contractors. According to Mr. Sullivan, the Tax Collector's Office uses a four factor formula, which was developed approximately 20 years ago, to calculate the amount of taxes owed by businesses located outside of San Francisco that conduct business in San Francisco. This formula is used because San Francisco can only tax that portion of the business that is conducted in San Francisco and includes the following:

Percent of Sale

| | |
|--|------------|
| 1. If the sales office or representative is in San Francisco | 30% |
| 2. If the billing or collection is in San Francisco | 20% |
| 3. If goods are delivered in San Francisco | 30% |
| 4. If goods are warehoused in San Francisco | <u>20%</u> |
| Total | 100% |

The City's Tax Collector currently has the authority to accept partial payments of the Payroll and Gross Receipts Taxes owed to the City. Mr. Sullivan indicates that if a business cannot fully pay their business tax, the business must sign a promissory note to make partial payments of the delinquent business tax to the City, generally within a 12-month period. If penalties or legal challenges are involved, these payments are placed into a suspense account, until the full payment is completed. These funds are then later transferred to the City's General Fund. According to Mr. Sullivan, this suspense account currently contains approximately \$2,037,000.

In addition, the Tax Collector indicates that the State's Revenue and Taxation Code prohibits the City from depositing partial unsecured property taxes (i.e., furniture, fixtures, leasehold interests, etc.) which are only assessed on businesses. Under the current provisions, if a business can only afford partial payment, these funds cannot be transferred to the General Fund. Mr. Sullivan reports that as of January, 1991, there was a total of approximately \$1.3 million in the City's suspense account for unsecured property taxes, that could not be transferred to the General Fund. However, the Tax Collector indicates that the Board of Supervisors can adopt a resolution either for each individual partial payment or as a blanket resolution to enable the Tax Collector to transfer these funds to the City's General Fund. Mr. Sullivan reports that the Tax Collector is currently preparing legislation on this subject and expects to bring this legislation to the Board of Supervisors within the next month.

According to Mr. Sullivan, the Tax Collector's Office has both internal audit and compliance functions which are intended to maximize the revenue collections to the Tax Collector's Office. The Audit Division of the Tax Collector's Office includes 22 field auditors and five supervising auditors for a total of 27 professional staff positions for the payroll and gross receipts taxes. The City's payroll and gross receipts taxes are calculated and paid based on a self-reporting process. According to Mr. Sullivan, the Tax Collector's Office reviews these reported forms and if the Tax Collector's Office questions the information that is provided by the subject business, it could trigger an audit of that business. The Audit Division conducts an average of 1,000 audits per year. Based on a total of approximately 6,000 businesses that currently pay the City's payroll or gross receipts taxes, the Audit Division audits approximately 17 percent of these businesses each year. Mr. Sullivan reports that in fiscal year 1989-90, the Audit Division issued a total of \$9,636,480 in audit deficiency billings. For the first seven months of fiscal year 1991-92, the Audit Division

BOARD OF SUPERVISORS
BUDGET ANALYST

issued a total of \$7,073,175 of audit deficiency billings. Based on prior experience, the Tax Collector projects that approximately 90 percent of these audit deficiency billings will result in payments to the City.

The Compliance Division of the Tax Collector's Office includes seven field investigators, two follow-up office investigators and one small claims investigator, for a total of ten professional staff positions. This staff attempts to insure that businesses are complying with the City's business and payroll taxes by reviewing the State Board of Equalization's sales tax report notices, periodicals, the Department of Public Work's permits for large building contracts, the County Clerk's fictitious name records and the Bay Pacific Builder listings of major construction contractors and subcontractors. As reflected in the attachment, the Tax Collector's Office performs various activities on a daily, weekly or periodic basis.

The Tax Collector's Tax Clearance Unit is responsible for the City's business registration fee. In addition to issuing the business certificates and renewals, the staff conducts physical surveys of office buildings in the City to insure that all businesses are registered with the Tax Collector's Office. The staff also works with the Purchaser's Office to insure that businesses cannot do business with the City without filing for a business permit. The Tax Collector's Office reports that they also work with DPW and the Health Department to insure that no contractor or business receives a building or health permit without a valid business permit. Mr. Sullivan indicates that his staff also write and/or visit general contractor sites to insure that they have a current list of the subcontractors on these large projects and that these subcontractors are registered with the City.

According to Mr. Sullivan, the current penalties for failure to file with the Tax Collector's Office is ten percent of the amount owed. In addition, the failure to pay the gross receipts tax or the payroll tax is another ten percent penalty of the amount owed. Interest is assessed on the basis of one percent per month. In addition, failure to provide financial information to, or to register with the Tax Collector's Office is a \$100 penalty.

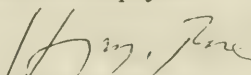
Mr. Sullivan also notes that the State's Revenue and Taxation Code permits the Tax Collector to seize businesses that do not pay delinquent taxes, in order to sell the necessary assets of the business to collect the taxes owed. Mr. Sullivan reports that this procedure can be effective with businesses that own boats. In addition, Mr. Sullivan reports that within the last fiscal year, the Tax Collector's Office sent a notice of possible seizure to ten businesses, which have now all paid their delinquent taxes owed. However, Mr. Sullivan indicates that the Tax Collector's Office does not use this procedure very often because any outstanding Federal Internal Revenue Service (IRS), State Franchise Tax Board or commercial loans that the business owed would take precedence over any local business taxes owed. Furthermore, Mr. Sullivan reports that it requires a significant amount of research for the Tax Collector's Office to determine if the delinquent business has sufficient assets to cover all of these delinquent tax liabilities.

BOARD OF SUPERVISORS
BUDGET ANALYST

Furthermore, Mr. Sullivan reports that the Tax Collector's Office has proposed to develop a new computer system which would enable the Tax Collector to match files with the Assessor's Office and other City and State offices. The estimated cost to complete the new system is approximately \$1.5 million, which the Tax Collector has included in their proposed budget for fiscal year 1991-92.

Mr. Dave Fong of the Controller's Office reports that the Controller's Office is responsible for the accurate recording of the expenditure, revenue and accounting information for the City and is not directly involved with the actual tax collections for the City. However, the Controller's Internal Audit Division has recently begun a performance audit of the Tax Collector's Office, which may address these issues. According to Mr. Young Choi of the Internal Audits Division, this performance audit of the Tax Collector's Office should be completed by approximately August, 1991.

Mr. Stephan Dunbar of the Assessor's Office reports that the Assessor will attend the May 1, 1991 Finance Committee meeting to discuss additional efforts by the Assessor to maximize revenue collections and to identify potential revenues that can be collected from potential taxpayers.


Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Shelley
Supervisor Hallinan
President Ward
Supervisor Achtenberg
Supervisor Alioto
Supervisor Britt
Supervisor Hsieh
Supervisor Kennedy
Supervisor Maher
Supervisor Migden
Clerk of the Board
Legislative Policy Analysts
Chief Administrative Officer
Controller
Sam Yockey
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

MEMORANDUM

Attachment

OFFICE OF TAX COLLECTOR
CITY AND COUNTY OF SAN FRANCISCO

Date April 4, 1991

To: Richard Sullivan, Deputy Tax Administrator

From: T. J. Wortham, Chief Investigator

Subject: Activities performed by investigators in search of unregistered businesses for Business Tax registration.

I. DAILY

1. Field investigators watch for new businesses in their districts.
2. The Edwards Abstract is checked for bids on new and remodeling projects in the city.
3. Advertisements in the daily and bi-weekly newspapers are checked.

II. WEEKLY

1. The Pacific Builder is checked for bids and new businesses in the city.
2. City bids sent to the division by various city departments are checked.

III. PERIODICALLY

1. Investigators survey the large office buildings and industrial complexes that have a large turnover.
2. The telephone book is checked.
3. Even on weekends, as investigators drive through the city and see construction or roofing contractors, they jot down numbers or names and check for registration.
4. The State Board of Equalization sends approximately 1,500 accounts to the Investigation Division and these are checked.

**BOARD OF SUPERVISORS****BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

May 6, 1991

DOCUMENTS DEPT.

TO: Finance CommitteeSAN FRANCISCO
PUBLIC LIBRARY**FROM:** Budget Analyst**SUBJECT:** FY 1991-92 Health Service System Plan (File 97-91-29)

On April 30, 1991, the Health Service Board approved a modification of employee health insurance contribution rates for single employees with no dependents, for FY 1991-92. This modification was based on an agreement reached in principle with several of the City's employee unions which involves the one-time use of approximately \$4.2 million of the Health Service Board's Trust Fund to pay the cost of employee contributions for all single employees with no dependents. As a result of this agreement, with the exception of the City's Health Plan, there will be no contribution cost for all single employees with no dependents.

The Health Service System actuary, Rael and Letson reported that the use of \$4.2 million of the Health Service Board's Trust Fund to pay the cost of employee contributions for single employees with no dependents would still leave a contingency reserve of \$17.4 million as of June 30, 1992 in the Fund equivalent to approximately five months of paid claims. This amount, in the opinion of Rael and Letson, would be sufficient to fund potential short-term adverse claims.

A comparison of the FY 1990-91 monthly rates for active and retired City employees with the original recommended rates and the new modified 1991-92 rates adopted by the Health Service Board, and the monthly difference in costs are as follows:

Memo to Finance Committee
May 6, 1991

| | 1990-91 Monthly Rates | 1991-92 Original Recommended Rate | Final 1991-92 Modified Monthly Rates | Monthly Difference Between 1990-91 and Final 1991-92 Rates |
|--------------------------------------|-----------------------------|--|--|--|
| <u>City Health Plan</u> | | | | |
| Single Employee | \$38.06 | \$38.06 | \$38.06 | \$ 0 |
| Employee plus one dependent | 148.03 | 172.03 | 172.03 | 30.24 |
| Employee plus two dependents | 235.09 | 259.09 | 259.09 | 20.52 |
| <u>Kaiser Foundation Health Plan</u> | | | | |
| Single Employee | 0 | \$16.57 | 0 | 0 |
| Employee plus one dependent | 128.65 | 158.89 | 158.89 | 30.24 |
| Employee plus two dependents | 213.58 | 234.10 | 234.10 | 20.52 |
| <u>Bridgeway Health Plan</u> | | | | |
| Single Employee | 0 | \$2.00 | 0 | 0 |
| Employee plus one dependent | 126.72 | 152.98 | 152.98 | 26.26 |
| Employee plus two dependents | 197.58 | 224.04 | 224.04 | 26.46 |
| <u>Bay Pacific Health Plan</u> | | | | |
| Single Employee | 6.90 | \$24.96 | 0 | (6.90) |
| Employee plus one dependent | 146.15 | 174.86 | 174.86 | 28.71 |
| Employee plus two dependents | 219.68 | 239.92 | 239.92 | 20.24 |
| <u>Heals Health Plan</u> | | | | |
| Single Employee | 0 | \$22.05 | 0 | 0 |
| Employee plus one dependent | 144.02 | 176.63 | 176.63 | 32.61 |
| Employee plus two dependents | 218.39 | 236.38 | 236.38 | 17.99 |
| <u>Foundation Health Plan</u> | | | | |
| Single Employee | 0 | \$19.48 | 0 | 0 |
| Employee plus one dependent | 143.30 | 163.05 | 163.05 | 19.75 |
| Employee plus two dependents | 236.40 | 246.28 | 246.28 | 9.88 |

Comments

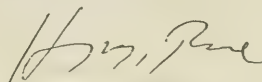
1. The estimated employer and employee contributions totalling \$132.5 million for the various health plans for FY 1991-92 represents an increase of \$20 million or 17.8 percent over the FY 1990-91 costs of \$112.5.

2. Of the \$20 million increase, \$2.5 million or 12.5 percent is a result of the inclusion of Domestic Partners in the City's Health System Plan. This entire \$2.5 million increase in costs is to be borne by City employees and not the City. The balance of the increase costs of \$17.5 million is attributable to increases in medical costs according to Mr. Randall Smith of the Health Service System.

BOARD OF SUPERVISORS
BUDGET ANALYST

3. Except for Nurses, the City does not pay for the health benefit costs of dependents of City employees. The estimated cost to the City for FY 1991-92 for Nurses is \$2,319,185, which represents an increase of \$491,760 or 26.9 percent over the FY 1990-91 costs of \$1,827,425. This cost increase is caused by increases in medical costs solely and does not result from any cost increases as a result of the new eligibility of Domestic Partners. Mr. Smith reports that the increased costs to City employees attributable to the inclusion of Domestic Partners is reflected only in the contributions of single employees with no dependents.

4. As previously noted, the proposed modification is based on an agreement reached with several of the City's employee unions. If all of the City's employee unions do not agree with the proposed modification in rates, the Health Service System Board may request that the Board of Supervisors approve other rates of contribution for FY 1991-92 for these other unions in the near future. Non-union employees would be covered by the proposed modified rates.



Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Shelley
Supervisor Hallinan
President Ward
Supervisor Achtenberg
Supervisor Alioto
Supervisor Britt
Supervisor Hsieh
Supervisor Kennedy
Supervisor Maher
Supervisor Migden
Clerk of the Board
Legislative Policy Analysts
Chief Administrative Officer
Controller
Sam Yockey
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

CALENDAR
MEETING OF
FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

SF PUBLIC LIBRARY
DOCUMENT SECTION

D 0313
(2)

WEDNESDAY, MAY 8, 1991 - 2:00 P.M.

MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN

CLERK: JONI LANDRY

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

REGULAR CALENDAR

1. File 101-90-90. [Government Funding] Ordinance appropriating \$960,000, Hetch Hetchy, for legal services and non-work order services of other departments-City Attorney-Legal Services and rescinding \$960,000 from capital improvement project (Moccasin Shop Buildings); providing for ratification of action previously taken. RO #90238. (Controller)

(Consideration continued from 5/1/91)

DOCUMENTS DEPT.

EXECUTIVE SESSION REQUESTED.

MAY 6 1991

SAN FRANCISCO
PUBLIC LIBRARY

ACTION:

2. File 97-90-5. [Tow Reimbursement and Disputed Claims for Towed Vehicles Revolving Fund] Ordinance amending the San Francisco Administrative Code by adding Section 10.204 to establish a revolving fund to pay for tow charge refunds and disputed claims for towed vehicles; companion to File 101-89-70. (Police Commission)

ACTION:

3. File 101-89-70. Ordinance appropriating \$140,000 for judgement and claims, Police Department for Fiscal Year 1989-90; companion to File 97-90-5. (Controller)

ACTION:

4. File 97-91-24. [Fiscal Impact Legislation] Ordinance amending the San Francisco Administrative Code by adding Section 2.6-3 thereto requiring any legislation having a fiscal impact be so indicated, requiring legislation creating a fiscal impact to be referred to the Finance Committee for consideration, and requiring the budget analyst to provide the Board of Supervisors with an analysis of the total cost of programs provided by legislation. (Supervisors Ward & Kennedy)

ACTION:

5. FILE 97-91-16.1. [Grant Applications] Ordinance amending Administrative Code by amending Section 10.170, to require all resolutions authorizing applications for grants indicate rates for reimbursement of indirect costs or the reason why the recovery of indirect costs cannot be included in the application. (Supervisor Migden)

ACTION:

6. File 97-91-28. [Grant Applications] Ordinance amending Administrative Code by amending Section 10.170, which establishes the procedures used by the Board of Supervisors in considering and approving applications for grants by City officers, employees, boards or commissions, by amending the procedures used to expedite Board authorization of the filing of applications for grants by departments of the City. (Clerk of the Board)

ACTION:

7. File 101-90-96. [Government Funding] Ordinance appropriating \$160,000, Water Department, for other current expenses and plumbing supplies. RO #90254. (Controller)

ACTION:

8. File 62-91-3. [Camp Mather Store Lease] Ordinance approving a five-year lease with Charles Cran, dba Strawberry Music, Inc., for establishing and operating a camp store concession at Camp Mather, Tuolumne County, California. (Recreation and Park Department)

ACTION:

9. File 25-91-18. [Contracting Out City Services] Resolution concurring with the Controller's certification that intake and shelter services to status offenders can be practically performed by private contractor for lower cost than similar work services performed by City and County employees. (Juvenile Probation Department)

ACTION:

10. File 25-91-19. [Contracting Out City Services] Resolution concurring with the Controller's certification that security guard services can be practically performed for the Purchasing Department, Central Shops by a private contractor for a lower cost than similar services performed by City and County employees. (Purchasing Department)

ACTION:

11. File 28-91-5. [Emergency Expenditure] Resolution approving emergency expenditure for design and construction of an emergency connection between the State's South Bay Aqueduct and San Francisco Water Department facilities near Sunol - \$487,000. (Public Utilities Commission)

ACTION:

12. File 200-91-2. Hearing to consider the status of the City's current and future infrastructure projects (street repairs and improvements; rehabilitation and improvements of public buildings and facilities; infrastructure projects involving enterprise departments, such as, Port, Airport, Public Utilities Commission; new construction of bond-financed facilities; such as, library, police stations, jail facilities, earthquake safety improvements; Civic Center complex repairs and restoration; relevant financing issues). (Supervisor Gonzalez)

ACTION:

13. File 189-91-2. Hearing to consider discussions between citizens and City staff regarding proposals for improving delivery of services by City Planning Department including the department's policies in providing those services - Residential Builders Association. (Supervisor Shelley)

ACTION:

14. File 101-89-34.5. [Release of Funds] Requesting release of reserved funds, Public Library, in the amount of \$175,000, for the Bureau of Architecture Project Management Services. (Public Library)

ACTION:

SPECIAL ORDER - 3:30 P.M.

15. File 100-91-3. Hearing to consider status of projected budget shortfall for the City and County of San Francisco for Fiscal Year 1991-92. (Supervisor Gonzalez)

ACTION:

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

May 6, 1991

DOCUMENTS DEPT.

SAN FRANCISCO
PUBLIC LIBRARY

TO: Finance Committee

FROM: Budget Analyst - *recommendations*

SUBJECT: May 8, 1991 Finance Committee Meeting

Item 1 - File 101-90-90

Note: This item was continued by the Finance Committee at its meeting of May 1, 1991. The Finance Committee has requested that an Executive Session be held with the City Attorney to discuss the legal issues concerning this item prior to considering this supplemental appropriation ordinance.

Department: Public Utilities Commission (PUC)
Hetch Hetchy

Item: Ordinance appropriating funds for outside legal services and in-house City Attorney legal services and rescinding funds from the Capital Improvement Project related to the Moccasin Creek Shop Buildings Project, Hetch Hetchy, for Fiscal Year 1990-91. The proposed ordinance would also provide for ratification of action previously taken by the Department.

Amount: \$960,000

Source of Funds: Hetch Hetchy Operating Fund - Reallocation from previously appropriated Capital Improvement Project funds.

Description: This request would provide new contractual funding to obtain the services of Ellis, King & Prioleau, a Washington D.C. law firm, and ERM West, an engineering firm, and supplement funding to continue existing contracts with the law firms of Vinson & Elkins and Grueneich, Ellison & Schneider. Funding would also be provided for additional City Attorney staff services.

The protection of San Francisco's rights to the high-quality water provided by the Hetch Hetchy System is a high priority to the City. According to the PUC, activities pertaining to water rights have increased substantially during FY 1990-91. In addition, legal and engineering issues concerning water purchases and impending hearings by the Federal Energy Regulatory Commission (FERC) on fishery-flow requirements in the Tuolumne River are of vital concern to the City.

Details of existing and proposed contracts regarding hourly rates, estimated hours, and MBE/WBE status are as follows:

New Contract

| | |
|---|--------------------|
| Ellis, King and Prioleau (Wash., D.C., Legal Svcs.) | \$60,000 |
| Hourly Rate: | \$77 Average |
| Estimated No. of Hours: | 779 |
| MBE/WBE/LBE Status: | None |
| Period of Performance: | Thru June 30, 1992 |

New Contract

| | |
|---------------------------------|------------------|
| ERM West (Engineering Services) | \$250,000 |
| Hourly Rates: | \$50-\$125 |
| Estimated No. of Hours: | 2,941 |
| MBE/WBE/LBE Status: | None |
| Period of Performance: | Approx. One Year |

Supplemental Funding to Existing Contract

| | |
|---|--------------------|
| Grueneich, Ellison & Schneider (Legal Services) | 100,000 |
| Hourly Rates: | \$131 Average |
| Estimated No. of Hours: | 763 |
| MBE/WBE/LBE Status: | LBE |
| Period of Performance: | Thru June 30, 1991 |
| Existing Contract Amount: | \$494,000 |

Supplemental Funding to Existing Contract

| | |
|--|--------------------|
| Vinson & Elkins (Legal Services, Wash. D.C.) | 300,000 |
| Hourly Rates: | \$122 Average |
| Estimated No. of Hours: | 2,459 |
| MBE/WBE/LBE Status: | None |
| Period of Performance: | Thru June 30, 1991 |
| Existing Contract Amount: | \$300,000 |

| | |
|---------------------------|----------------|
| Services of City Attorney | <u>250,000</u> |
|---------------------------|----------------|

| | |
|-------|------------------|
| Total | <u>\$960,000</u> |
|-------|------------------|

Hetch Hetchy proposes to reallocate previously budgeted capital project funds from the proposed renovation of the Moccasin Creek Shop Buildings project to fund the needed legal services. Hetch Hetchy would defer the Moccasin Creek Shop Buildings Project until sufficient funding is available. According to Mr. Carlos Jacobo of the PUC, Hetch Hetchy has not requested any additional funds for the Moccasin Creek Shop Buildings Project in the FY 1991-92 budget.

Comments:

1. The law firm of Vinson & Elkins has already incurred expenditures under the proposed modification to their existing contract. Therefore, Hetch Hetchy is requesting ratification of action previously taken.

2. According to Mr. Jacobo, ERM West and Ellis, King and Prioleau were selected through a Request for Qualifications process performed by the City Attorney's Office and Hetch Hetchy staff and reviewed by the PUC's Contract Compliance Officer. The Public Utilities Commission approved award of the proposed contracts on March 29, 1991. Mr. Jacobo reports that Ellis, King and Prioleau is a Washington, D.C., based minority owned legal firm and that 25 percent of the engineering contract with ERM West would be allocated to minority subcontractor firms.

3. There are currently four City Attorney staff members working on the "Water Rights Team" including one staff member who was added to the Team in October of 1990 at Hetch Hetchy's request. An FY 1990-91 cost summary of City Attorney services billed to and budgeted for Hetch Hetchy is as follows:

Services of City Attorney

| | |
|--|------------------------|
| Budget | \$445,932 ¹ |
| Projected expenditures as of 2/4/91 (Hetchy-only) | (511,570) |
| Projected expenditures as of 2/4/91 (BLH&P) ² | (12,106) |
| Hetchy's share of PUC's expenditures as of 2/4/91 | (61,542) |
| Additional Attorney added at Hetchy's request (October 1990) | <u>(107,750)</u> |
| Projected Shortfall | (\$247,036) |

Mr. Jacobo reports that FY 1991-92 funding for Services of the City Attorney for water rights issues is included in the Hetch Hetchy and the PUC FY 1991-92 budget requests. Mr Jacobo further reports that the PUC would request that the Controller's Office carry forward funding approved in this

¹\$377,892 in the PUC's budget and \$68,040 in Hetch Hetchy's budget.

²Bureau of Light, Heat and Power

supplemental appropriation for contractual services to be performed during FY 1991-92.

4. Based on the above cost summary, additional funding for City Attorney services can be reduced from \$250,000 to \$247,036, or by \$2,964.

Recommendation: Reduce the supplemental appropriation amount by \$2,964 from \$960,000 to \$957,036 and approve the proposed legislation as amended.

Items 2 and 3 - Files 97-90-5 and 101-89-70

Note: These items were continued at the March 21, 1990 Finance Committee meeting. The items were subsequently filed on January 4, 1991 pursuant to Rule 3.24, reactivated on April 29, 1991, and referred to the Finance Committee.

Department: Police Department

Items: Ordinance (File 97-90-5) would add Section 10.204 to the City's Administrative Code to establish a \$250,000 special fund to be known as the Tow Reimbursement and Disputed Claims for Towed Vehicles Revolving Fund to pay for tow charge refunds and disputed claims for towed vehicles.

Supplemental Appropriation Ordinance (File 101-89-70) would reappropriate \$140,000 for judgments and claims to replenish the \$250,000 revolving fund for the period from December 1989 through June 1990. The Controller's Office has advised that this proposed ordinance has expired and must be resubmitted by the Police Department (See Comment No. 10).

Amount: \$140,000

Source of Funds: Controller's Judgments and Claims account (General Fund, Unallocated Reserve)

Description: Current Administrative Code Section 10c.8-1 states that the City will pay or reimburse the cost of vehicle towing and storage charges to the uninsured owner of a stolen vehicle that is recovered and towed if the owner is a resident of San Francisco. Section 10c.1 also states that the City will pay the vehicle towing and storage charges when the owner of the vehicle can establish that the tow was faulty (i.e., not supported by applicable codes and ordinances) or the owner files an affidavit declaring indigence.

The proposed ordinance (File 97-90-5) would amend the City's Administrative Code to add Section 10.204, which would establish a special fund, entitled the Tow Reimbursement and Disputed Claims for Towed Vehicles Revolving Fund. This Fund would be used to reimburse persons for tow charges that have been determined to be erroneous. Such determinations of error would be made by an administrative officer of the Police Department.

The proposed Fund would be administered by the Police Department. Disbursements of more than \$500 would require approval by the Police Commission and appropriation

BOARD OF SUPERVISORS
BUDGET ANALYST

by the Board of Supervisors. Any unexpended balance in the proposed Fund at the end of each fiscal year would be carried forward and accumulated in the revolving fund.

The proposed supplemental appropriation ordinance (File 101-89-70) would reappropriate \$140,000 from the City Attorney's Judgment and Claims account for the Police Department's Vehicle Tow and Storage Reimbursements.

Comments:

1. In response to the City Attorney's request, the Controller's Internal Audit Division conducted an audit of the City's Vehicle Towing and Storage Refund Requests Processing Procedures. The Controller's audit report, issued on November 21, 1989, recommended that in order to expedite the current cumbersome procedures, the Police Department should establish a separate revolving fund to handle vehicle tow reimbursements and that refund requests should be filed directly through the San Francisco Police Department's Legal Division.

2. According to data collected by the Controller's audit staff, the amount of refund payments totalled \$207,870 in fiscal year 1987-88, divided into the following five major categories:

| | |
|---|--------------|
| Stolen Vehicles | \$79,347 |
| Parking Violations (Faulty Tows) | 97,905 |
| Vehicles Pending Evidence/Investigation | 21,859 |
| Accidents | 5,075 |
| Other | <u>3,684</u> |
| Total | \$207,870 |

Although the number of tow refunds in fiscal year 1987-88 was not reported, the Controller's audit identified 3,024 tow refunds, at a total cost to the City of \$366,017 between July, 1988 and April 1989. According to Lieutenant Fred Pardella of the Police Department's Traffic Administration Office, in FY 1988-89, a total of 64,000 vehicles were towed. For FY 1989-90, Mr. Ray King of the City Attorney's Office reports that 1,201 claims were paid at a total cost of \$480,205.

3. The current procedure for reimbursing an individual for a disputed towing and storage charge, that would be changed if the proposed legislation is approved, is as follows:

- Owner of vehicle files request with the Controller's Office;
- Controller records the request as a claim and forwards request to City Attorney's Office;

BOARD OF SUPERVISORS
BUDGET ANALYST

- City Attorney's Office recommends disposition of the request and sends request to the Police Department for investigation;
- Police Department investigates request, determines appropriate refund amount, recommends payment of the amount and returns request to the City Attorney's Office;
- City Attorney's Office prepares a direct payment voucher, the Chief of Bureau of Claims approves the payment voucher and returns the voucher to the Police Department;
- Police Commission approves the payment request and voucher is returned to the City Attorney's Office;
- Deputy City Attorney approves as to form and entire package is forwarded to the Controller's Office;
- Controller reviews and issues a warrant to the requester and files the voucher documents.

According to the Controller's audit report, the current process, from initial request to issuing of the warrant, requires approximately three to five months.

4. According to Mr. King, under the current arrangements, the Board of Supervisors approves the budget for the City Attorney's Judgment and Claims account but does not review the individual reimbursement payments to individuals. Reimbursements of tow charges are administered by the City Attorney's Office and investigated by the Police Department, as noted above. The amount of each refund is governed by the charges permitted in the contract between the City and the contracted towing company, City Tow. In fact, the towing and storage refund is usually not in dispute. However, according to Mr. King, these reimbursement requests should not be treated as legal claims that require the efforts of the City Attorney's Office. Rather, the reimbursement of tow charges should be an administrative process within the Police Department. The City Attorney's Office is fully supportive of the proposed ordinances, which would eliminate the City Attorney's Office from the process.

5. Under the proposed ordinance (File 97-90-5), after determination that the tow charges were in error, the Police Department's Legal Division would be responsible for checking the refund requests and determining that the requested amount is properly supported and correct. The Police Department's Accounting Division would process each request directly through the proposed revolving fund and issue the checks. The supporting documentation would then be forwarded to the Controller's Office and the Controller's Office would review the data prior to reimbursing the proposed revolving fund for the amount of the reimbursement paid by the Police Department to the individual.

6. The proposed ordinance (File 97-90-5) would create a special fund to be called a revolving fund (Tow Reimbursement and Disputed Claims for Towed Vehicles Revolving Fund). A true revolving fund is administered by a department opening a checking account at a local bank with an initial deposit equal to the stated amount of the revolving fund. As checks are written by the department and the initial deposit is depleted, the revolving fund is replenished by a City warrant drawn against the department's annual budget. At the time this legislation was introduced in March, 1990, the Controller's Office was preparing an Amendment of the Whole to create a true revolving fund, instead of a special fund, in order to effect the Police Department's intention and needs to reimburse citizens for disputed tow charges. Because the legislation was continued, the amendment was never made. Therefore, an Amendment of the Whole should be prepared to the proposed legislation to specify the creation of a true revolving fund, instead of a special fund.

7. According to the proposed ordinance (File 97-90-5), the stated amount of the revolving fund would be \$250,000. The proposed supplemental appropriation ordinance (File 101-89-70) would appropriate \$140,000 to the revolving fund for the period December, 1989 through June, 1990. However, based on the six month period from July 1, 1990, through December 31, 1990, monthly reimbursement levels averaged \$34,000. According to Mr. John Madden of the Controller's Office, the actual amount in the revolving fund should include only a one and a half months of funding, or approximately \$51,000, and not the amount of \$250,000 for an entire year. The \$51,000 amount would be sufficient for the Police Department to administer tow reimbursements with periodic replenishment of the revolving fund by the Controller's Office.

BOARD OF SUPERVISORS
BUDGET ANALYST

8. The proposed ordinance (File 97-90-5) contains language that should be clarified. In the "Purpose" paragraph, the statement "Monies in this fund may be expended to reimburse those persons for tow charges..." should be changed to allow for payments directly to the towing or storage company. In the "Administration" paragraph, the statement "Disbursements of over \$500 must be approved by the Police Commission and the Board of Supervisors" should be changed by substituting the words "Individual claims" for the word "Disbursements".

9. It should be noted that the Controller's audit report was critical of the Police Department's tow hearing process, the lack of criteria to determine whether refunds were justified, insufficient documentation from these hearings, inadequate quarterly refund request and related accounting reports, the lack of verification of vehicle insurance coverage, payments to City Tow for charges not included in the existing City Tow contract and inadequate monitoring of the City Tow contract. At its meeting of March 21, 1990, the Finance Committee continued these two proposed ordinances, at the request of the Police Department, pending the implementation of the Controller's audit recommendations. Chief William Casey has reported that the Police Department has implemented all of the Controller's audit recommendations and has requested Board of Supervisors approval of these two items.

10. Mr. John Madden of the Controller's Office advises that the Police Department must file a new request for a supplemental appropriation to replace the currently proposed supplemental appropriation request, which expired at the end of FY 1989-90. Lieutenant Anthony Ribera of the Police Department reports that a new supplemental request will be filed with the Mayor's Office. Therefore, the proposed ordinance amending the Administrative Code to establish the revolving fund should be continued until the companion supplemental ordinance is submitted. The supplemental ordinance (File 101-89-70), which is now expired, should be tabled.

- Recommendation:**
1. Amend the proposed (Item 2, File 97-90-5) to create a true revolving fund instead of a special fund as noted in Comment No. 6. Continue the proposed ordinance pending the submittal of a companion supplemental appropriation ordinance by the Police Department.
 2. Table the proposed supplemental appropriation ordinance (Item 3, File 101-89-70).

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 4 - File 97-91-24

The proposed ordinance would amend the Administrative Code by (a) adding Section 2.6-3 requiring that any legislation having a fiscal impact be so indicated, (b) requiring legislation creating a fiscal impact to be referred to the Finance Committee for consideration and (c) requiring the Budget Analyst to provide the Board of Supervisors with an analysis of the total cost of the programs provided by such legislation.

Under the proposed legislation, when any ordinance, resolution or charter amendment is introduced, which is referred to a Board of Supervisors' Committee other than the Finance Committee, the Clerk of the Board will refer the proposed legislation to the Budget Analyst. Within three days of the introduction of the legislation, the Budget Analyst would review the proposed legislation, to determine and inform the Board of Supervisors whether the proposed legislation would have a fiscal impact.

According to the proposed legislation, "fiscal impact" is defined as a financial effect upon the City's funds in any fiscal year in excess of \$10,000 or a total financial effect upon the City's funds in excess of \$50,000. Fiscal impact would include, but not be limited to the following:

- Appropriation of funds or release of reserved funds.
- Increased or substantial expenditure of funds by: (a) imposing new responsibilities on the City or (b) imposing new or additional duties on a City department, agency, board, person or business having a contract with the City or commission or (c) expanding any City program, function or responsibility.
- Substantial loss of revenue to the City's General Fund or any special fund created by ordinance or charter.
- Substantial reduction of expenditures of City money by reducing, transferring or eliminating any existing services or functions of any City department.

Any legislation that was determined to have a fiscal impact would be referred to the Finance Committee, as well as the other Board of Supervisors' Committee, to which the legislation was originally referred. Any legislation that was not initially determined to have a fiscal impact, that was later amended to result in fiscal impacts, would have to subsequently be referred to the Finance Committee of the Board of Supervisors. Legislation determined to have a fiscal impact could not be calendared for consideration by the full Board of Supervisors until such legislation has been reviewed by all Committees asked or required to review the legislation.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
May 8, 1991

To identify that a proposed piece of legislation has a fiscal impact, the Budget Analyst would stamp "Fiscal Impact" in the upper left portion of the first page of any proposed legislation or amendments to legislation. If amendments are made to the proposed legislation which would remove all provisions resulting in a fiscal impact, the Budget Analyst would strike through the words "Fiscal Impact".

According to the proposed legislation, the sponsor or sponsors of the proposed legislation would be required to "make every effort to identify the funding source" for the legislation that is before the Board of Supervisors.

Comments

1. In July, 1980, the Board of Supervisors adopted a motion directing the Budget Analyst to specifically review Charter amendments that were submitted to the Board of Supervisors for cost analysis. Charter amendments are currently referred to the Administration and Oversight Committee and do not generally come before the Finance Committee for consideration. Under the proposed legislation, any legislation that was determined to have a fiscal impact would be referred to the Finance Committee as well as the other Board of Supervisors' Committees to which it was initially referred. Since many Charter amendments do have fiscal implications, under the proposed legislation, all Charter amendments would be reviewed by both the Administration and Oversight and the Finance Committees.

Since proposed Charter Amendments are already reviewed by the Budget Analyst for fiscal impact under Board procedures, the Board may want to exempt proposed Charter Amendments from this procedure due to limited time constraints. In that manner, proposed Charter Amendments, which often face restrictive legislative schedules, would continue to be reviewed by one committee (Administration and Oversight) from both a financial and policy perspective, without additional consideration by the Finance Committee.

2. According to Ms. Mary Anne Bulen of the Clerk of the Board of Supervisors' Office, it may be a problem for the Clerk's Office to refer proposed legislation to more than one Committee at the same time because there is currently only one original file and file number. Ms. Bulen further states that it may also be confusing for the public to determine at which Committee to present public testimony, or whether it would be required at both Committees.

3. Further clarification of this ordinance may be needed. For example, presently, the Budget Analyst provides budgetary and financial analysis of all items that have fiscal impact before all Committees of the Board as they are heard by the respective Committees. It is unclear whether such financial analyses and reports would continue to be delivered to the respective Committees or deferred until the matter is calendared by the Finance Committee for a separate hearing on fiscal impact.

Page 2, line 7 of the proposed ordinance further defines fiscal impact as "Increased or substantial expenditure of funds..." To clarify this section, it may be appropriate to restate the definition of fiscal impact as "...a financial effect upon the City's funds in any fiscal year in excess of \$10,000 or a total financial effect upon the City's funds in excess of \$50,000" as found on page one of the proposed ordinance.

Similarly, the definition of fiscal impact could be clarified to state that the \$50,000 total financial effect upon the City's funds would be within a specified period of time, such as five years, which would be comparable to the \$10,000 within any fiscal year.

The ordinance provides that "Any legislation that was not initially determined to have a fiscal impact, that was later amended to result in fiscal impacts, would have to subsequently be referred to the Finance Committee of the Board of Supervisors." It is unclear however, when amendments are to be reviewed for fiscal impact by the Budget Analyst, and subsequently heard by the Finance Committee.

4. The requirement to make a finding of fiscal impact on all legislation before the matter is referred to Committee(s) and the requirement to monitor all amendments to all legislation to further determine the addition or subtraction of fiscal impact, may increase the portion of the Budget Analyst's workload devoted to legislative matters and committee reports. Consequently the costs for such services may increase modestly or, alternatively, the discretionary amount of funds available for Budget Analyst services to perform management audits or special projects may decrease. The Budget Analyst is prepared to attempt to accommodate the wishes of the Board with no change in our present budget and report back to the Board after a pilot period on the effect of this legislation.

5. According to the City Attorney, proposed legislation is similar to the State's system in which proposed legislation having a fiscal impact is referred to both a policy committee and a fiscal committee.

Recommendation

Approve the proposed ordinance.

If the Board of Supervisors approves the proposed ordinance, it may wish to consider amending the proposed legislation as follows:

- Exempt proposed Charter Amendments from this procedure since proposed Charter Amendments are currently reviewed by the Administration and Oversight Committee from both a financial and policy perspective, often face restrictive legislative schedules and are currently reviewed and reported on by the Budget Analyst's Office.

BOARD OF SUPERVISORS
BUDGET ANALYST

- Specify whether the proposed financial analyses and reports would continue to be delivered to the respective Committees or deferred until the matter is calendared by the Finance Committee for a separate hearing on fiscal impact.
- Define increased or substantial expenditures (Page 2, line 7) to restate the definition of fiscal impact as "...a financial effect upon the City's funds in any fiscal year in excess of \$10,000 or a total financial effect upon the City's funds in excess of \$50,000" as found on page one of the proposed ordinance.
- Clarify the \$50,000 total financial effect upon the City's funds to a specified period of time, such as five years, which would be comparable to the \$10,000 within any fiscal year.
- For legislation that was not initially determined to have a fiscal impact, but was later amended to result in fiscal impacts, specify when these amendments are to be reviewed for fiscal impact by the Budget Analyst, and subsequently heard by the Finance Committee.

Item 5 - File 97-91-16.1

This item is an ordinance to amend Part I, Chapter 10 of the San Francisco Administrative Code by amending Section 10.170, which establishes the procedures used by the Board of Supervisors in considering and approving applications for grants by City officers, employees, Boards or Commissions, by requiring that all resolutions authorizing applications for grants indicate rates for reimbursement of indirect costs, or the reasons why the recovery of indirect costs cannot be included in the grant application.

Description

Currently, the City's Administrative Code stipulates that the receipt and expenditure of grant funds applied for shall not be approved or authorized by the Board of Supervisors unless the Controller has certified that appropriate indirect costs are included in the grant budget. As such, the inclusion or exclusion of indirect costs in a grant budget does not have to be addressed until the City Department requests authorization to accept and expend a grant. At that time, the project budget has already been developed and, generally, accepted by the grantor.

The proposed ordinance would require City Departments to include in the resolution authorizing the department to apply for a grant whether or not indirect costs will be included in the grant budget and what the indirect cost rate would be. In the cases where indirect costs will not be included in a grant budget, the Board of Supervisors would have the opportunity in advance to decide whether the exclusion of indirect costs is acceptable.

Comments

1. Indirect costs are the costs to the City associated with the grant funded project. For example, the Department's staff administer the grant, the Controller must manage the grant funds, the Purchaser's Office handles grant related purchasing requests, the Civil Service Commission processes requests for new grant related personnel, and the Mayor's Office and the Board of Supervisors review grant application requests. Mr. John Madden of the Controller's Office advises that indirect cost rates vary depending on the applicable cost rate for each Department.

2. The author of the proposed ordinance intended to require that all resolutions for grants, including accept and expend resolutions, indicate rates for reimbursement of indirect costs, or the reasons why the recovery of indirect costs cannot be included in the grant budget. An amendment to the proposed ordinance will be introduced at the Finance Committee to clarify this intent.

Recommendation

Approve the proposed Amendment of the Whole.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 6 - File 97-91-28

Department: Clerk of the Board

Item: Ordinance amending Section 10.170 which establishes the procedures used by the Board of Supervisors in considering and approving applications for grants by City officers, employees, boards or commissions and by amending the procedures used to expedite Board authorization of the filing of applications for grants by departments of the City.

Description: The proposed ordinance would require that any resolution requesting approval of a grant be submitted to the Board of Supervisors after obtaining the signatures of the Department Head and the Mayor. Any resolution to accept and expend a grant would also require the signatures of the Department Head, the Mayor as well as the Controller's Grants Division.

When the regular Board of Supervisors procedures will not result in the timely approval of a resolution to file for approval of a grant application, a proposed expedited process may be used. As the proposed legislation outlines, the expedited process would enable a department to submit the following required documents to the Clerk of the Board's Office by noon on Monday (or the succeeding business day if Monday is a holiday), 14 days before the Board's approval of the needed resolution is required:

- A. A cover letter requesting the expedited process.
- B. A proposed resolution approving the grant application, which is signed by the Department Head and the Mayor's Office.
- C. A completed "Grant Application Information Form".

The Department would be required to provide one original, one for the Board file, one for the committee clerk, one for the Budget Analyst and one for the Legislative Policy Staff for a total of five copies of these documents to the Clerk's Office.

BOARD OF SUPERVISORS
BUDGET ANALYST

The Clerk of the Board would then ensure that the resolution is introduced at the Board of Supervisors meeting the following week and calendared for the Finance Committee meeting the same week that the resolution is introduced by the Board.

Comments:

1. As discussed above, the proposed legislation would only enable resolutions to apply for grant funds to use the expedited grant process. Resolutions to accept and expend grant funds would be required to use the regular grant process. A resolution to apply for, accept and expend funds would be required to use the regular grant process.

2. Under the regular grant process, an item which is introduced at the Board of Supervisors meeting would be heard by the Finance Committee meeting within two to three weeks. Under the proposed expedited process, an item would be heard by the Finance Committee the same week that the item is introduced. In order to facilitate sufficient time for a review of the proposed resolution under the expedited process, the Department will have to provide the Budget Analyst with the request in advance of the item being introduced by the Board of Supervisors.

3. The proposed ordinance would replace the current letter of intent procedures that were adopted last year by the Board of Supervisors.

4. According to the proposed legislation, the Clerk of the Board shall issue appropriate instructions to City departments to ensure the provisions of this resolution with respect to the expedited grant process are observed. On February 19, 1991, the Clerk of the Board issued instructions to City departments regarding the proposed expedited grant application process.

5. It should be noted that at the May 1, 1991 Finance Committee meeting, the Public Library submitted a grant application using the proposed expedited grant process (File 147-91-3).

6. The proposed expedited process should ensure that the Finance Committee will consider grant applications on a timely basis. As a result, grant applications should not require retroactive approval. Similarly, this expedited provision should eliminate the need to approve grant application resolutions on the Board of Supervisor's immediate adoption calendar.

Recommendation: Approve the proposed ordinance.

Item 7 - File 101-90-96

Department: Public Utilities Commission (PUC)
Water Department

Item: Supplemental Appropriation Ordinance appropriating \$160,000 for other current expenses and plumbing supplies.

Amount: \$160,000

Source of Funds: Unappropriated Water Department Revenues

Description: The Water Department is proposing to use the proposed \$160,000 supplemental appropriation to address water conservation through (a) the development of an information packet which would be directed to new residential and commercial water service customers and (b) the provision of water conserving devices to residences under the jurisdiction of the Housing Authority.

The Water Department would use an estimated \$110,000 of the proposed \$160,000 supplemental appropriation to provide water conserving toilet flappers, shower heads and aerators (water flow restricting device for sinks and basins) for 5,000 Housing Authority residential units that are currently not equipped with such devices. The remaining \$50,000 would be used to develop the information packet for new residential and commercial customers. The information packet would contain written and illustrated information on (1) how to read/interpret water meters and bills, (2) practical water conservation measures, (3) devices that reduce water flow on existing water fixtures and (4) converting to water efficient fixtures. The information packets would be developed by existing Water Department staff. The Water Department's projected detailed expenditures for the purchase of the water-conserving devices for the Housing Authority residential units and the development of the information packet are as follows:

| | |
|---------------------------------|---------------|
| <u>Water-Conserving Devices</u> | |
| Toilet Flappers (\$6 x 5,000) | \$30,000 |
| Shower Heads (\$10 x 5,000) | 50,000 |
| Aerators (\$3 x 10,000) | <u>30,000</u> |
| Subtotal | \$110,000 |

BOARD OF SUPERVISORS
BUDGET ANALYST

| | |
|---------------------------|------------------|
| <u>Information Packet</u> | |
| Materials and Supplies | \$25,000 |
| Layout and Typesetting | 15,000 |
| Printing | <u>10,000</u> |
| Subtotal | \$50,000 |
| | |
| Total | <u>\$160,000</u> |

Comments:

1. The Water Department reports that the information packets would be printed in English, Spanish and Chinese. Additionally, while the packets will primarily be distributed to new residential and commercial customers, current customers would also have access to the packets on request. In addition to the above identified costs, the Department's estimated cost to separately mail these packets is \$6,000-\$9,000. The Department advises that funds to pay for the mailing costs for these information packets are included in the Department's FY 1991-92 budget request.

2. According to Mr. Michael Kelly of the Housing Authority, the decision to have the Water Department pay for the water-conserving devices as opposed to the Housing Authority was based primarily on the fact that the Housing Authority lacked the necessary funds to pay for these costs. Additionally, Ms. Jean Mariani of the PUC reports that the Water Department considered it an important Departmental objective to reduce excess use of water by the Housing Authority residential units, in order to benefit the rest of the City's water system. According to Ms. Mariani, the Housing Authority exceeded its water allotment by 3.7 million gallons in March, 1991. The Housing Authority is responsible for paying all water bills including excess use charges. Installation of the water-conserving devices would lower the Housing Authority's water costs and sewer service charges. Ms. Mariani advises that the Water Department will share responsibility with the Housing Authority in the installation of the water-conserving devices. Mr. John Mullane of the Water Department reports that the water-conserving devices will be installed in FY 1991-92. The cost to install the water-conserving devices would be absorbed in the Department's on-going budget.

Recommendation: The Budget Analyst believes that this request to address water conservation through development of an information package (\$50,000) and through the provision of water conserving devices for Housing Authority residential units (\$110,000) is justified. However, the Budget Analyst believes it is a policy matter as to whether the \$110,000 for the water conserving devices at the Housing Authority should be provided from Water Department revenues or from Housing Authority revenues.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 8 - File 62-91-3

Department: Recreation and Park Department

Item: Ordinance approving a five-year lease with Charles Cran DBA Strawberry Music Inc., for establishing and operating a camp store concession at Camp Mather, Tuolumne County.

Description: The proposed ordinance would approve a lease between the City and County of San Francisco through the Recreation and Park Department and Strawberry Music Inc. The proposed lease would grant the right to Strawberry Music Inc. to operate the camp store for five years during the camp season commencing with the 1991 Memorial Day weekend event and ending after the City's employees family weekend event or after the fall Strawberry Bluegrass Festival, whichever is later in 1996.

According to the lease, the City would be paid rent over the next five years based on the greater of the following: \$9,000 per season or 8.5 percent of the gross receipts. In addition, the lessee would pay the City \$150 per season as rent for operation of coin operated washers and dryers. Strawberry Music Inc. would collect the coins from the operation of the washers and dryers and would be responsible for the maintenance of the machines.

The lease requires Strawberry Music Inc. to procure and maintain Workers Compensation Insurance, Comprehensive General Liability Insurance, Comprehensive Automobile Liability Insurance and Property Insurance on buildings and fixtures.

Comments: 1. In February, 1991, the Board of Supervisors approved a lease between the City through the Recreation and Park Department and Strawberry Music Inc. to establish and operate a three-day music festival during Memorial Day weekend and a two-day music festival during the second weekend after Labor Day (File 62-91-1).

2. The Recreation and Park Department issued a Request for Proposal (RFP) for the proposed camp store concession lease. Two firms, Strawberry Music Inc. and Robin Tylor Productions responded to the RFP with bids. Robin Tylor Productions had the highest bid for the proposed lease. According to Mr. Ernie Prindle of the Recreation and Park Department, Robin Tylor Productions withdrew from the lease for the camp store as well as a lease for a music festival during Labor Day weekend. Mr. Prindle reports that there was a conflict over Robin Tylor using Camp Mather for a

BOARD OF SUPERVISORS
BUDGET ANALYST

women's only music festival during the Labor Day weekend. As a result, Robin Tylor declined the lease for the music festival during Labor Day weekend and the camp store for the Memorial Day event, the Labor Day event and the ten-weeks during the regular Camp Mather season. Because the only other bid on the store was Strawberry Music Inc., and Camp Mather will open within a month, the Recreation and Park Commission decided to award the lease to Strawberry Music Inc.

3. Strawberry Music Inc. operated the camp store during the past five camp seasons and paid the City a minimum of \$3,500 or 8.5 percent of the camp store's total gross receipts, whichever was greater. In 1990, Strawberry Music Inc. paid the City \$12,201 for the Memorial Day event, the Labor Day event and the 10-weeks during the regular Camp Mather season.

Recommendation: Approve the proposed ordinance.

Item 9 - File 25-91-18

Department: Juvenile Court

Proposed Action: Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

Services to be Performed: Shelter, Intake and Central Receiving Facility Services. This contract is for shelter, intake and central receiving facility services for Status Offenders such as runaway youths and youths uncontrollable by parents. The services include family counseling and provision of shelter.

Description: The Controller has determined that contracting for these services in fiscal year 1991-92 would result in estimated savings as follows:

| | <u>Lowest</u> <u>Salary Step</u> | <u>Highest</u> <u>Salary Step</u> |
|--|-------------------------------------|--------------------------------------|
| <u>City Operated Services Costs</u> | | |
| Salaries and Fringe Benefits | \$867,118 | \$1,041,367 |
| Operating Expenses | <u>13,200</u> | <u>13,200</u> |
| Total | \$880,318 | \$1,054,567 |
| <u>Contract Service Costs</u> | | |
| Contract Cost | \$590,000 | \$590,000 |
| City Probation Officers to Assist Contractor | <u>92,034</u> | <u>110,686</u> |
| Total | \$682,034 | \$700,686 |
| <u>Estimated Savings</u> | \$198,284 | \$353,881 |

Comments:

1. Shelter, Intake and Central receiving facility services were first certified as required by Charter Section 8.300-1 in 1984 and have been continuously provided by an outside contractor since that time.
2. The one-year contract for 1990-91, which expires June 30, 1991, is with Youth Advocates, Inc. The Contracted Service Cost used for the purpose of this analysis is an informal bid from Youth Advocates, Inc. based on last year's cost.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
May 8, 1991

Youth Advocates, Inc. will be awarded the contract for 1991-92 based on a competitive bid.

3. The Controller's supplemental questionnaire, with the Department's responses, including the MBE/WBE status of this contract, is attached.

Recommendation: Approve the proposed resolution.

CHARTER 8.300-1 (Proposition J) QUESTIONNAIREDepartment Juvenile CourtContract Services Shelter and Intake for Status OffendersFor the term starting approximately July 1, 1991 through June 30, 1992

1) Who performed services prior to contracting out?

Juvenile Hall Counselors:

3 - 8316 Assistant Counselor 7 - 8320 Counselor, Juvenile Hall
 1 - 8318 Counselor II

2) Number of City employees laid off as a result of contracting out?

None. Eleven positions were cut from budget, but no permanent staff were laid off.

3) Explain disposition of employees if they were not laid off.

Permanent employees moved to positions in other parts of Juvenile Hall formerly filled by on-call staff.

4) What percent of a City employee's time is spent on services to be contracted out?

Juvenile Hall Counselors:

100% 1 - 8318 Counselor II 100% 10 - 8320 Counselor, Juvenile Hall
 100% 2 - 8320 Relief Counselor

5) How long have the services been contracted out?

The contract with Youth Advocates for Central Receiving Facility was entered into by Juvenile Probation on February 1, 1984. That contract was expanded to include Shelter and Intake for status offenders April 1, 1989.

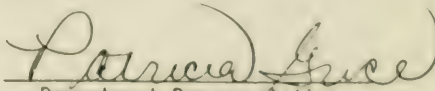
6) When was the first fiscal year for a Proposition J certification?

The first fiscal year for the Central Receiving Facility contract was 1983/1984. The first fiscal year for the expanded contract was 1988/1989.

7) How will contract services meet the goals of your MBE/WBE Action Plan?

Extensive outreach was accomplished at the Request for Qualifications stage seeking potential MBE/WBE providers.

Youth Advocates is a non-profit agency so it does not fall within the purview of MBE/WBE goals.


 Department Representative

753-7560

Telephone

Item 10 - File 25-91-19

Department: Purchasing

Proposed Action: Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

Services to be Performed: Security Guard Services at Central Shops

Description: The Controller has determined that contracting for these security guard services in fiscal year 1991-92 would result in estimated savings as follows:

| | <u>Lowest Salary Step</u> | <u>Highest Salary Step</u> |
|------------------------------------|-------------------------------|--------------------------------|
| <u>City Operated Service Costs</u> | | |
| Salaries | \$ 86,944 | \$105,225 |
| Fringe Benefits | <u>25,203</u> | <u>29,271</u> |
| Total | \$112,147 | \$134,496 |
| <u>Contracted Service Cost</u> | <u>51,149</u> | <u>51,149</u> |
| <u>Estimated Savings</u> | \$60,998 | \$83,347 |

Comments: 1. Security guard services were first certified as required by Charter Section 8.300-1 in 1983 and have continued to be provided by an outside contractor since then.

2. The current one-year contract, which expires June 30, 1991, is with McCoy's Patrol Service. The Contracted Service Cost used for the purpose of this analysis is based on the current contractor's estimate of security guard service costs required in 1991-92. The Purchasing Department is currently in the process of accepting competitive bids for this contract with the bidding to end on May 10, 1991.

3. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of this contract, is attached.

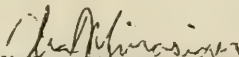
Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

CHARTER 8.300-1 (Proposition J) QUESTIONNAIRE

Department PURCHASING
Contract Services SECURITY GUARD SERVICES - CENTRAL SHOPS
For the term starting approximately 7/1/91 through 6/30/92

- 1) Who performed services prior to contracting out?
#7410 AUTOMOTIVE SERVICE WORKERS
- 2) Number of City employees laid off as a result of contracting out?
NONE
- 3) Explain disposition of employees if they were not laid off.
CENTRAL SHOPS WAS UNDERSTAFFED AT THE TIME, SO THE EMPLOYEES WERE REASSIGNED TO OTHER DUTIES.
- 4) What percent of a City employee's time is spent on services to be contracted out?
100% OF THREE (3) EMPLOYEES
- 5) How long have the services been contracted out?
SERVICES WERE FIRST CONTRACTED OUT - SEPTEMBER, 1983
- 6) When was the first fiscal year for a Proposition J certification?
FISCAL YEAR 1983/84
- 7) How will contract services meet the goals of your MBE/WBE Action Plan?
PRESENT CONTRACTOR IS CERTIFIED MBE. HIS CERTIFICATION NUMBER IS 21 101 004 48


M.H. GEISTLINGER-DIRECTOR OF PURCHASING & SERVICES
Department Representative
554-6210
Telephone

Item 11 - File 28-91-5

Department: Public Utilities Commission (PUC)
Water Department

Item: Resolution authorizing emergency expenditure for design and construction of an emergency connection between the State's South Bay Aqueduct and the San Francisco Water Department's facilities near Sunol.

Amount: \$487,000

Source of Funds: Previously Appropriated Water Department Revenues for:
Hetch Hetchy Water Demand Study \$477,000
Construct Feeder Main Project 10,000
Total Project \$487,000

Description: The Board of Supervisors authorized the Water Department to purchase 50,000 acre feet of water from the State of California Drought Emergency Water Bank (File No.101-90-95) on April 29, 1991. The State requires that the 50,000 acre feet of water must be transported by December 31, 1991. However, Mr. Norman Lougee of the Water Department reports that in order to have the capacity to transfer all of the additional water available from the State Water Bank through the State's South Bay Aqueduct, water would have to flow at a minimum rate of 100 cubic feet per second. There is currently an operating connection on the State's South Bay Aqueduct which transfers water into San Francisco's San Antonio Reservoir at a rate of 75 cubic feet per second. Mr. Lougee reports that the proposed second connector would increase total capacity by 25 cubic feet per second, to 100 cubic feet per second. The proposed resolution would authorize an emergency expenditure for the construction of an additional connection from the State's South Bay Aqueduct into San Francisco's San Antonio Reservoir.

Project costs for the proposed second connection are estimated as follows:

Installation

| | |
|---|---------------|
| Materials | \$128,000 |
| Construction Cost | 127,000 |
| Contingency | <u>25,000</u> |
| (approximately 20 percent of Construction Costs) | |
| Subtotal for Installation | \$280,000 |

| | |
|--------------------------|--------|
| <u>Dismantling Costs</u> | 50,000 |
|--------------------------|--------|

BOARD OF SUPERVISORS
BUDGET ANALYST

| | |
|--|----------------|
| <u>Water Department</u> <u>Administrative and Engineering</u> | 50,000 |
| <u>State Department</u> <u>of Water Resources</u> | <u>107,000</u> |
| Project Total | \$487,000 |

Comments:

1. As indicated above, \$10,000 in funds would come directly from revenues appropriated for the Construct Feeder Main Project, and \$477,000 in funds would come from revenues appropriated for the Hetch Hetchy Water Demand Study. Ms. Chris Morioka reports that the Hetch Hetchy Water Demand Study was designed to investigate current water demand and supply needs. However, Ms. Morioka indicates that the Water Department has decided to prioritize projects related to the current drought situation, and the Water Department has therefore decided to delay the Hetch Hetchy Water Demand Study and to use these funds to finance the proposed emergency project to obtain the necessary additional water as soon as possible.

2. According to Mr. Lougee, the City would provide the materials for the proposed connection which includes a 48-inch pipe, approximately 1,050 feet long on concrete supports, crossing Alameda Creek, a control valve, and connection to an existing 20-inch manhole on the City's Sunol pipeline. A contract would be issued for installation and dismantling only. Mr. Lougee reports that the 48-inch pipe would be dismantled after the drought emergency is declared over. Mr. Lougee reports that the proposed connection would be a temporary structure so the Water Department would not have to delay construction while completing an Environmental Impact Report (EIR). Mr. Lougee also reports that if the proposed second connection was built as a permanent structure, an EIR would have to be completed, and construction would have to be delayed by a minimum of three months. Mr. Lougee indicates that the 50,000 acre feet of water may not be able to be transported by December 31, 1991 if construction of the proposed connection is delayed by three months.

3. Mr. Lougee reports that the \$107,000 budgeted for the State Department of Water Resources is for the State costs of modifying their existing water transfer system to accommodate the proposed connection. The State costs would include the removal of a section of 20-inch pipe and installation of a connection to the 48-inch pipe crossing Alameda Creek, the replacement of that section with a valve, installation of a flow meter, an additional pressure reducing

BOARD OF SUPERVISORS
BUDGET ANALYST

valve, and a telemetry circuit for remote control. The proposed estimated costs by the Water Department have not yet been finalized with the State. Since the Water Department does not know at this time the final cost of services to be provided by the State Department of Water Resources, the Budget Analyst recommends that the \$107,000 designated for the State Department of Water Resources be placed on reserve pending a more precise estimate of the cost to provide these services.

4. Mr. Lougee also reports that a contractor for the installation and dismantling of the proposed connection has not yet been selected by the Water Department. The Water Department anticipates that bids will be solicited from those contractors which are listed at the PUC's Contract Office as City certified MBE or WBE firms. Since a contractor has not been selected and the cost of these services is not known at this time, the Budget Analyst recommends that the \$127,000 designated for installation construction costs, the related contingency costs of \$25,000 and the \$50,000 designated for dismantling costs be placed on reserve, pending a more precise estimate of the cost to provide these services.

5. The Water Department is also planning to increase the capacity of the existing connection from 75 cubic feet per second to 100 cubic feet per second. Therefore, the total capacity from the existing connection, and from the proposed second connection would be 125 cubic feet per second. Mr. Lougee indicates that although the second connection alone would be able to transfer the 50,000 acre feet of water purchased from the State, no allowances could be made for malfunctions, periodic inspections and maintenance. Also, the additional 50,000 acre feet of water would be able to be transferred sooner than waiting for the completion of the construction of the proposed second connection. The Water Department estimates that the cost of modifying the existing connection is \$20,000. Mr. Lougee reports that funds are available from the San Antonio Turnout Project, which funded the design and construction of the first connection on the State's South Bay Aqueduct. The \$20,000 would not be included as part of the proposed emergency expenditure.

6. The Public Utilities Commission declared an emergency on April 9, 1991 due to a critical water shortage created by five years of below normal rainfall. Customers of the San Francisco Water Department are currently under a 25 percent water rationing plan. The PUC's recommendation on reducing mandatory rationing from a 45 percent to a 25 percent level was based on an analysis that included the

BOARD OF SUPERVISORS
BUDGET ANALYST

incorporation of the 50,000 acre feet of water from the State Drought Emergency Water Bank.

Recommendation: Amend the proposed resolution to reserve funds for 1) \$127,000 and \$25,000 contingency pending selection of a contractor for installation, 2) \$50,000 pending selection of a contractor for dismantling, and 3) \$107,000 pending finalized costs from the State Water Resources Department to complete their services. Approve the resolution as amended.

Item 12 - File 200-91-2

1. This item is a hearing to consider the status of the City's current and future infrastructure projects - street repairs and improvements, rehabilitation and improvement of public buildings and facilities, infrastructure projects involving enterprise departments, such as Port, Airport, Public Utilities Commission; new construction of bond-financed facilities, such as the Public Library, Police stations, jail facilities, earthquake safety improvements, Civic Center complex repairs and restoration; and relevant financing issues.

2. The Department of City Planning, the Office of the Chief Administrative Officer and the Department of Public Works have recently developed a draft report entitled the City and County of San Francisco Capital Improvement Advisory Committee Six Year Capital Management Plan: FY 1991-96. The authors of the report state that the purpose of the report is to provide background information and context for the Capital Improvement Advisory Committee (CIAC) and other decision makers who will be reviewing capital budget requests and bond program requests over the next several months. As such, the report provides a detailed overview of the City's capital needs and funding sources. A summary of the report's general observations on the status of the City's infrastructure are outlined below:

1) For General Fund and General Fund-supported facilities, annual appropriation levels for facilities maintenance and capital improvements have been decreasing for the last several years. In FY 1984-85 and FY 1985-86, annual General Fund appropriations averaged \$11 million annually. In FY 1986-87 and FY 1987-88, annual General Fund appropriations increased to an average of \$18 million per year. For the past three years, the annual funding level has decreased to an average of \$9.7 million. According to the report, when these General Fund appropriations are adjusted for inflation, they show that the City is now spending an average of 33 percent less in real terms than it was spending on General Fund facilities maintenance and capital improvements six years ago and 54 percent less than it was spending three years ago. The report states that this trend may continue into FY 1991-92. The CIAC has been given a target by the Mayor's Office of \$10 million for General Fund facilities maintenance and capital improvements for FY 1991-92. However, based on City Departmental requests for capital improvement and facilities maintenance projects which total \$44 million, the CIAC has recommended a funding level of approximately \$15 million for FY 1991-92.

2) If future levels of annual General Fund appropriations for facilities maintenance and capital improvements remain the same as in the prior three years, the City will have accrued a facilities maintenance and capital improvement backlog of approximately \$150 million by 1996. The vast majority of these facilities maintenance projects are projects which are not bond fundable or are capital improvements in facilities which are not targeted for major capital improvements (i.e., bond or debt financed)

BOARD OF SUPERVISORS
BUDGET ANALYST

programs in the near future. Examples of factors that characterize and influence this backlog are as follows:

a) Deferred Maintenance

In 1983, the City initiated a Facility Condition Monitoring (FCM) Program to assess the physical condition of the City's General Fund and General Fund supported-buildings. To date, assessments have been completed for over 250 buildings, which represents approximately one-half of the City's inventory of General Fund buildings. These assessments have documented approximately \$68 million in needed improvements and maintenance. Of the \$68 million, approximately \$10-15 million will be addressed as part of recently approved bond programs for seismic safety, which leaves \$53-58 million to be funded from annual General Fund appropriations or future bond programs. According to the report, as additional assessments are completed, this backlog can be expected to increase.

b) Health and Safety

Legal requirements to (1) increase seismic safety, (2) reduce health hazards from asbestos, (3) improve physical accessibility, and (4) monitor and replace underground storage tanks, have added significantly to the City's capital needs. Programs to assess the full extent of the City's capital needs in these areas are currently in process. As additional needs are identified, they would add to the capital backlog. The Department of City Planning reports there is a current backlog of approximately \$7.5 million for monitoring and replacing storage tanks. The Department currently does not have an estimate for backlog in connection with seismic safety projects, asbestos projects and physical accessibility projects.

c) Other Capital Improvements

Due to limited resources, City decision makers, when allocating annual appropriations, have afforded a higher priority to facilities maintenance and to health and safety requirements than to other types of capital improvements. As such, facilities maintenance projects have accounted for an increasing share (70-85 percent) of diminishing annual General Fund Capital budgets over the past three years. The result has been a growing backlog of capital improvements which are needed to increase operating efficiency or to relieve overcrowding in City facilities.

3. According to the capital improvement report, in recent years, the City has been able to finance some of its most urgent capital needs through General Obligation Bond Programs. Since 1986, voters have approved nine General Obligation Bond Programs totalling over \$663 million, as follows:

| <u>Bond</u> <u>Approved</u> | <u>In</u> <u>Millions</u> |
|--|------------------------------|
| 1986 - Fire Protection Bonds - to upgrade and expand the City's auxiliary water supply system. | \$46.2 |
| 1987 - Street Improvements - for street reconstruction and renovation, reconstruction of sidewalks and adjacent areas, traffic signals and street safety projects. | 27.0 |
| 1987 - Police Facilities Improvements - to replace and/or renovate obsolete police stations and to provide for seismic upgrade of certain facilities. | 28.0 |
| 1987 - Recreation and Park Facilities Improvements - to make improvements to (1) Kezar Stadium and surrounding area, (2) Lake Merced, (3) Portsmouth Square, (4) McLaren Park, (5) Crocker Amazon Park and (6) Buena Vista Park. | 18.0 |
| 1987 - Mental Health Facilities - to develop a Mental Health Skilled Nursing Center at San Francisco General Hospital. | 26.0 |
| 1988 - Library Improvement Bond Program-to build new Main Library and rehabilitate and seismically upgrade Branch Libraries. | 109.5 |
| 1989 - Earthquake Safety Bond Programs - to seismically strengthen fire stations, boiler/equipment at Laguna Honda, public buildings in Golden Gate Park and Lincoln Park, and the Main Library. | 59.7 |
| 1990 - Earthquake Safety Bond Programs - to seismically strengthen City Hall, San Bruno Men's and Women's jails, San Francisco General Hospital utilities, DPH Headquarters, other major public buildings in the Civic Center area, Branch Libraries, police stations and several museums. | 332.5 |
| 1990 - Sheriff - City matching funds for State bonds - to build new Sheriff's facility. | <u>16.5</u> |
| | \$663.4 |

BOARD OF SUPERVISORS
BUDGET ANALYST

4. The capital improvement report provides the following information on the background, current status and future needs of the City's infrastructure regarding seismic safety, asbestos management, physical accessibility and underground storage tanks.

(1) Seismic Safety

In 1987 the City initiated an Earthquake Safety Program to develop a systematic approach to the City's efforts to reduce seismic hazard. The program has two components: (1) engineering inspection to evaluate the seismic strength of the City's buildings and (2) construction projects to remedy identified problems. To date, engineering inspections and analyses have been completed on 171 buildings.

Funding for virtually all seismic strengthening projects in the City has come from General Obligation Bond Programs. The following bond measures included funding for seismic strengthening:

- (a) The 1987, Police Facilities Improvement Bond included approximately \$19 million to seismically upgrade police stations that would be most critical to the Police Department's ability to respond to an earthquake emergency.
- b) The 1988 Library Improvement Bond Program, included \$15 million to seismically strengthen a number of Branch Libraries.
- c) The 1989 Earthquake Safety Bond Program includes \$48.8 million to seismically strengthen 24 buildings including 19 Fire Department facilities, the boiler plant and utilities at Laguna Honda Hospital, two buildings at the California Academy of Sciences, the Main Library and the Legion of Honor.
- d) The 1990 Earthquake Bond Program in addition to repairing damage caused by the 1989 earthquake, includes \$204.7 million to seismically strengthen 20 City buildings, including City Hall, Civic Auditorium, the Opera House, the Veterans Building, the DPH Headquarters, the San Bruno Men and Women's Jails, the Exploratorium, San Francisco General Hospital utilities, two police stations and nine Branch Libraries. A Zoo subsurface utility replacement program (\$26 million) is also included in this bond program.

The bond measures approved to date address approximately 60 percent of the City's seismic safety needs. The report estimates that the remaining seismic work on City buildings could cost an additional \$200 million in 1990 dollars.

(2) Asbestos Management

The City's Asbestos Management Program was developed several years ago to meet regulatory requirements at the Federal, State and local level. The Asbestos Management Program provides a systemwide approach for identifying and managing asbestos in City buildings. A key component of the program involves the completion of data gathering to (1) develop an inventory of asbestos containing materials in City buildings, (2) determine the extent of the risk, (3) determine the cost associated with managing asbestos containing materials, and (4) identifying activities that may be impacted by the presence of asbestos.

There are generally two types of asbestos studies that are conducted: (1) Health and Safety General Surveys (managed by the Department of Public Health-DPH), to identify and inventory asbestos containing material and to evaluate the asbestos health risk and (2) Architecture and Engineering Detailed Assessments (managed by the Department of Public Works), to develop contract specifications for asbestos abatement where asbestos containing materials may be disturbed during the course of planned building maintenance or construction activities.

In 1987-88, the City appropriated \$329,000 to initiate Phase I of a program to conduct Health and Safety General Surveys of City buildings. These surveys were completed in February 1991, and 76 buildings were surveyed. Since FY 1987-88, additional funds for Health and Safety General Surveys have been appropriated, but have not yet been expended. These funds, which are available for future surveys, include:

- a) \$450,00 appropriated in FY 1988-89 for surveys in buildings owned by enterprise departments.
- b) \$200,000 appropriated in FY 1990-91 for additional surveys in General Fund buildings.
- c) \$500,000 included in the 1989-90 Earthquake Safety Bond Programs to survey for asbestos in buildings which will be undergoing seismic upgrades.

To date, the City has approved \$29,129,000 to do asbestos abatement work in conjunction with three major repair and renovation programs as follows:

- a) \$236,000 for asbestos abatement work in six Branch Libraries included in the 1988 Library Bond Program.

BOARD OF SUPERVISORS
BUDGET ANALYST

- c) \$3,163,000 for asbestos abatement work in 23 buildings included in the 1989 Earthquake Safety Bond Program.
- c) \$25,730,000 for asbestos abatement work in 20 buildings included in the 1990 Earthquake Safety Bond Program.

The DPH has prepared a plan to survey remaining General Fund buildings over the next three years at a cost of \$2,150,000. In addition to completing these surveys, the DPH plans to begin surveying buildings owned by enterprise departments using \$450,000 in funds previously appropriated by these departments.

(3) Physical Accessibility

The City began several years ago to develop a physical accessibility program to address Federal, State and local law. In 1988, the City appropriated \$29,000 to enable the Department of Public Works (DPW) to initiate a survey to identify physical access deficiencies in General Fund and General Fund-supported departmental buildings. An additional \$150,000 was approved in FY 1989-90 to do additional survey work, consultation, schematics and preliminary design for various projects in these buildings.

In early 1989, the Mayor's Office established a Disability Rights Task Force, to bring the City in compliance with Section 504 of the Federal Rehabilitation Act of 1973. A Physical Access Subcommittee was organized, which began work with DPW to develop survey instruments, set survey priorities and to recommend priorities for capital improvement funding for disabled access work. DPW and the Task Force have targeted the end of FY 1991-92 for completion of surveys of all General Fund buildings.

Since 1988, several disabled access projects have been funded through the annual capital budget or through departmental supplemental appropriations as follows:

- a) \$15,000 was appropriated to modify the toilets in the basement of City Hall. This project is completed. An additional \$75,000 was approved in the FY 1989-90 capital improvement budget to modify City Hall toilets on the 2nd, 3rd, and 4th floors. Working drawings for this project are near completion.
- b) \$50,000 (\$40,000 from FY 1989-90 annual capital budget, plus carryover from the Grove Street handicapped access ramp) was approved to modify toilets at 101 Grove. This project is in the design stage.

In addition to the above-noted funds, General Obligation Bond Programs approved within the past several years have included monies to meet disabled access requirements as follows:

- a) \$1.7 million in the 1987 Police Facilities Bond Program for physical accessibility work in seven renovated public stations.
- b) \$1.5 million in the 1988 Library Improvement Bond Program for physical accessibility work in the Main Library and six Branch Libraries.
- c) \$2.7 million in the 1989 Earthquake Safety Bond Program for facilities for the disabled in three public assembly buildings and 18 Fire Department facilities.
- d) \$4,430,000 in 1990 Earthquake Safety Bond Program for facilities for the disabled in two Department of Social Services office buildings, nine Branch Libraries, six Civic Center building, two Recreation and Park Department buildings and the Hall of Justice.

In the FY 1991-92 annual General Fund capital budget, the Department of Public Health (DPH) has proposed \$60,000 for handicapped ramps for the auditorium at 101 Grove and \$121,000 to provide for physical accessibility at DPH Health Centers 4 and 5. Additionally, \$322,880 is included in the War Memorial operating Fund for accessibility projects in subsequent years for the Opera House and the adjoining courtyard.

4) Underground Storage Tanks

In October, 1986, the Department of Public Works, with technical assistance from the Department of Public Health initiated implementation of the Underground Storage Tank Program (USTP) to comply with State laws. The initial purpose of the USTP was to test and monitor tanks for leaks and to remove City-owned tanks which were not in use or leaking. To cover the costs for testing and monitoring of the storage tanks, \$3 million was appropriated from the Emergency Reserve Fund. Costs incurred under this Program were reimbursable from the State, providing that no storage tank or connecting pipes were leaking. Additionally, the difference in cost between the replacement of a single walled tank, providing it was not leaking, and a double walled tank was also reimbursable.

The City is mandated under Federal law to have annual precision tank testing for all underground storage tanks. Currently, there are 116 underground storage tanks operated by all City Departments. The cost for each precision tank test is about \$700. Funding for these costs has been provided from various departmental

BOARD OF SUPERVISORS
BUDGET ANALYST

operating funds. In the capital improvement budget for 1991-92, a project for tank testing has been requested by the Department of Public Health to provide a funding source for various General Fund Departments that do not have sufficient funds for this work.

The Department of Public Health has responsibility for managing the Underground Storage Tank Assessment and Remediation Program. The purpose of this Program is to provide for the removal of toxic substances which have leaked from City-owned storage tanks into surrounding soil and groundwater. At this time, 49 sites have been identified which have varying degrees of soil contamination. Of these sites, contamination has been removed from 14 sites. According to the capital improvement report, an estimated \$3 million in General Fund and Special Fund Departments will be required over the next five years for work in connection with soil contamination.

The Department of Public Works has outlined a multi-year tank replacement program for various General Fund and General Fund-supported departments. The program proposes the replacement of 71 tanks at an approximate cost of 6.5 million. The age of these single walled steel tanks ranges from five to 40 years. At this time, there are no documented leaks from these tanks.

The tank replacement program for Special Fund departments (Airport, Hetch Hetchy System, Port and Water Department) has been administered separately by each department, with overview by the Department of Public Health. In recent years, 23 tanks have been upgraded and 30 tanks remain to be replaced. Future funding for this replacement work will be provided from the revenue sources of these departments.

Item 13 - File 189-91-2

This item is a hearing to consider discussions between citizens and City staff regarding proposals for improving delivery of services by the City Planning Department, including the Department's policies in providing those services.

At the Finance Committee meeting of April 17, 1991, Mr. Joe O'Donoghue of the Residential Builders Association (RBA) raised concerns over the proposed increases in Planning fees and the Planning Department's provision of services. Subsequent to the Committee meeting, on April 25, 1991, Mr. O'Donoghue met with Mr. Dean Macris, Mr. Bob Passmore, and Mr. Milton Edelin of the Planning Department, along with Ms. Martha Jimenez, Legislative Policy Analyst, to discuss the RBA's concerns. A memorandum, dated April 26, 1991, from Ms. Jimenez to the Finance Committee, summarizes the results of those discussions.

Based on the meeting noted above, four policy priorities have been recommended by the RBA for Board of Supervisors review and approval:

1. Designate the review of permit applications for wood frame housing as a top priority of the City Planning Department.
2. Reallocate planning fee revenues earmarked for a Landmarks Planner position to positions which would increase permit processing support.
3. Reimburse permit applicants for delays in processing permits beyond the time constraints imposed by State law (AB884).
4. Institute a fee of \$250 for requests for review of projects by the Landmarks Preservation Advisory Board. Presently, no fee exists for such requests.

The RBA has drafted a proposed resolution for consideration by the Board of Supervisors that memorializes the RBA's recommendations. This proposed resolution has been introduced (File 189-90-1) and is to be heard by the Economic & Social Policy Committee in the near future.

Comments

1. The RBA has recommended that permittees receive permit fee reimbursements if violations of AB884 occur. AB884 requires the City Planning Department to process permits for building projects within specified time constraints, and if such term constraints are not met (6-12 months), then the project must be approved by the Planning Department. The RBA has recommended that, when the Planning Department is unable to process a permit within the time constraints required by State law, the permittee be reimbursed for the difference between the old fee schedule and the new, existing fee schedule. This proposal would act as a performance incentive for the City Planning Department to process permits in a timely manner. Mr. Edelin advises that with the increased fees and proposed new staff, the City Planning Department would

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
May 8, 1991

be able to process the permit applications within the time limits established by AB884.

2. The RBA also recommends that a fee of \$250, plus the cost of time and materials, be imposed for any requests for review of a building permit application by the Landmarks Preservation Advisory Board. The proposed fee would pay for the cost of City Planning staff to research the history of the building which would be subject to the request for review. Mr. Edelin reports that the City Planning Department has not yet determined the amount of revenues this proposed fee would generate.

3. In addition to the four policies noted above, the RBA has suggested other changes which would require amendments to the City's Planning Code. The City Attorney's Office is in the process of developing legislation that incorporates such proposed amendments. Mr. Edelin advises that such proposed amendments, along with the four priority policies noted above, must be reviewed and approved by the City Planning Commission and submitted to the Board of Supervisors for review and approval.

4. Mr. Edelin further advises that City Planning Department staff will be available at the Finance Committee meeting of May 8, 1991 to respond to any concerns which the Finance Committee may have.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 14 - File 101-89-34.5

Department: Public Library

Item: Release of Reserve for the Bureau of Architecture Project Management Services.

Amount: \$175,000

Source of Funds: 1988 Library Improvement Bond

Description: In October of 1989, the Board of Supervisors approved a supplemental appropriation ordinance (File 101-89-34) to appropriate \$11,366,423 in 1988 Library Improvement Bond funds to begin design and construction of the new Main Library and for Branch Library renovations. Of that amount, \$3,940,277 was reserved pending submission to the Finance Committee of detailed information on the types of services which would be provided by the DPW's Bureau of Architecture, and cost estimates and expenditures for the new Main Library construction and Branch Libraries renovations. The Finance Committee subsequently released reserves totalling \$1,956,190 leaving a balance on reserve of \$1,984,087.

The proposed release of the reserved funds of \$175,000 from the \$1,984,087 still on reserve would provide funding for the DPW's Bureau of Architecture project management services related to the design of the new Main Library. The proposed release of reserve would provide funding for the following:

| <u>Positions</u> | <u>Hours</u> | <u>Hourly Rate</u> | <u>Total</u> |
|--|--------------|------------------------|---------------|
| Fiscal Year 1990-91 (May through June 30, 1991) | | | |
| Principal Architect | 35 | \$37.21 | \$1,302 |
| Project Manager | 347 | 32.84 | 11,395 |
| Architect | 347 | 25.79 | 8,949 |
| Arch. Assistant II | 174 | 17.03 | 2,963 |
| Secretary II | 87 | 15.54 | <u>1,352</u> |
| Subtotal | | | 25,961 |
| DPW Overhead (Rate=1.2726) | | | <u>33,038</u> |
| Total 1990-91 | | | \$58,999 |

BOARD OF SUPERVISORS
BUDGET ANALYST

| <u>Positions</u> | <u>Hours</u> | <u>Hourly Rate</u> | <u>Total</u> |
|--|--------------|------------------------|---------------|
| Fiscal Year 1991-92 (July 1, 1991 through September 30, 1991) | | | |
| Principal Architect | 52 | \$39.07 | \$2,032 |
| Project Manager | 528 | 34.48 | 18,205 |
| Architect | 528 | 28.43 | 15,011 |
| Architect | 264 | 27.08 | 7,149 |
| Arch. Assistant II | 264 | 17.88 | 4,720 |
| Secretary II | 132 | 16.32 | <u>2,154</u> |
| Subtotal | | | 49,271 |
| DPW Overhead (Rate = 1.2726) | | | <u>62,702</u> |
| Total 1991-92 | | | \$111,973 |
| Contingencies: Travel, overtime, temporary staffing | | | <u>4,028</u> |
| Total Requested Release of Reserve | | | \$175,000 |

Comments:

1. Mr. Russ Abel of the DPW's Bureau of Architecture reports that the project management services which would be provided by the Bureau of Architecture include oversight of the design contract with the architects, including providing information to the architects on soils, traffics, and utility locations.
2. Mr. Abel reports that none of the above-listed positions, which would be funded from the bond funds through work orders, are new positions. Mr. Abel also reports that after September 30, 1991, the existing staff would continue to provide project management services, but the positions would be funded through the new issuance of Public Library Improvement Bonds of 1988, which will be issued in June, 1991. Once the Branch Libraries renovations are complete and the new Main Library is constructed, the existing staff positions would be either reassigned to other existing work orders in the Bureau of Architecture or eliminated.
3. The hourly rates for the positions include Fiscal Year 1991-92 salary standardization increases. Approximately \$5,332 of the \$175,000 would not be expended if salary standardization increases are not approved for Fiscal Year 1991-92.

BOARD OF SUPERVISORS
BUDGET ANALYST

4. As reflected above, Mr. Abel reports that an additional Architect is to be added for Fiscal Year 1991-92 because as the City moves closer to the construction phase of the project, the Architects from the Bureau must coordinate required approvals, and provide more detailed information on soils, traffic, and utility locations to the architects.

5. Mr. Abel also reports that bidding for the excavation contract for the new Main Library is scheduled to begin in December, 1991, excavation is scheduled to begin by March, 1992, and construction is scheduled to begin by January, 1993. Mr. Abel also reports that an archeological investigation would be completed from approximately October, 1992 through January, 1993. By June, 1995, both the construction of the new Main Library and renovations at the Branch Libraries are scheduled to be completed.

Recommendation: Release the reserved funds in the amount of \$175,000 (based on the approval of the Fiscal Year 1991-92 salary standardization cost increases).

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
May 8, 1991

Item 15 - File 100-91-3

Note: This item was continued from the April 24, 1991 Finance Committee meeting.

This item is a hearing to consider the status of the projected budget shortfall for the City and County of San Francisco for Fiscal Year 1991-92.

On February 20, 1991, the Mayor's Office, the Board of Supervisors Budget Analyst and the Controller's Office issued a report presenting their projection for Fiscal Year 1991-92 General Fund revenues and expenditures. According to this report, if the City continues the current level of services provided in Fiscal Year 1990-91, it was projected that the City will face a shortfall of between \$116.9 million and \$158.3 million in Fiscal Year 1991-92. The projected shortfall is a result of reduced revenue growth, mandated salary increases and additional costs associated with maintaining current service levels and complying with court mandates. It should be noted that since the State budget allocations have not been determined, the City's reported projections for Fiscal Year 1991-92 do not assume any changes in State funding for City programs.

On January 31, 1991, the Controller's Office issued an initial report which projected the ending General Fund balance for Fiscal Year 1990-91 at \$2.8 million, which represents a sharp decrease from the previous year, when the ending balance was \$51.4 million. On March 19, 1991, the Controller's Office issued an updated report which projected the ending General Fund balance for Fiscal Year 1990-91 at a \$7.4 million deficit. This projected deficit for Fiscal Year 1990-91 is the result of expenditures greater than the amount budgeted for the fiscal year coupled with decreases in budgeted revenues.

The City Charter prohibits the City from incurring a deficit. Therefore, the Controller has indicated that he will take the necessary actions to insure that the City does not incur a deficit. On March 26, 1991, the Controller issued a report to the Board of Supervisors indicating the potential sources of savings that have been identified to insure that the City does not end Fiscal Year 1990-91 with a shortfall. The Controller's Office reports that they will continue to review and update all General Fund supported departments' proposed expenditures and revenues, and to provide periodic updates to the Board through the Finance Committee as the identified sources of funds become more certain.

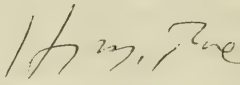
Comments

1. An updated joint report from the Mayor's Office, Controller's Office and the Budget Analyst on fiscal year 1991-92 budget projections will be available by May 8, 1991. Representatives from the Mayor's Office, Controller's Office and the Budget Analyst's Office will be present at the May 8, 1991 Finance Committee meeting to discuss the report.

BOARD OF SUPERVISORS
BUDGET ANALYST

2. Mr. Dave Fong of the Controller's Office advises that the Controller's Office is continuing to analyze the current 1990-91 fiscal year expenditure and revenue data for all City departments. Although minor fluctuations in expenditures and revenues for the current fiscal year continue, the Controller's Office reports that the Controller's Office will insure that the City does not end the fiscal year with a shortfall and that any surplus funds will be credited to the City's cash reserve fund.

3. Mr. Sam Yockey of the Mayor's Office reports that the Mayor's Office is continuing to review individual City departments' budgets and is preparing the Mayor's recommended budget for fiscal year 1991-92. The Mayor's recommended budget will be presented to the Board of Supervisors on June 1, 1991. Mr. Yockey advises that he is also continuing to monitor the State's budget proposals for fiscal year 1991-92.



Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Shelley
Supervisor Hallinan
President Ward
Supervisor Achtenberg
Supervisor Alioto
Supervisor Britt
Supervisor Hsieh
Supervisor Kennedy
Supervisor Maher
Supervisor Migden
Clerk of the Board
Legislative Policy Analysts
Chief Administrative Officer
Controller
Sam Yockey
Ted Lakey

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Memo to Finance Committee
May 8, 1991

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91
Item 11 - File 28-91-5

Department: Public Utilities Commission (PUC)
Water Department

MAY 13 1991

SAN FRANCISCO
PUBLIC LIBRARY

Item: Resolution authorizing emergency expenditure for design and construction of an emergency connection between the State's South Bay Aqueduct and the San Francisco Water Department's facilities near Sunol.

Amount: \$487,000

Source of Funds: Previously Appropriated Water Department Revenues for:
Hetch Hetchy Water Demand Study \$477,000
Construct Feeder Main Project 10,000
Total Project \$487,000

Description: The Board of Supervisors authorized the Water Department to purchase 50,000 acre feet of water from the State of California Drought Emergency Water Bank (File No.101-90-95) on April 29, 1991. The State requires that the 50,000 acre feet of water must be transported by December 31, 1991. However, Mr. Norman Lougee of the Water Department reports that in order to have the capacity to transfer all of the additional water available from the State Water Bank through the State's South Bay Aqueduct, water would have to flow at a minimum rate of 100 cubic feet per second. There is currently an operating connection on the State's South Bay Aqueduct which transfers water into San Francisco's San Antonio Reservoir at a rate of 75 cubic feet per second. Mr. Lougee reports that the proposed second connector would increase total capacity by 25 cubic feet per second, to 100 cubic feet per second. The proposed resolution would authorize an emergency expenditure for the construction of an additional connection from the State's South Bay Aqueduct into San Francisco's San Antonio Reservoir.

Project costs for the proposed second connection are estimated as follows:

Installation

| | |
|---|---------------|
| Materials | \$128,000 |
| Construction Cost | 127,000 |
| Contingency | <u>25,000</u> |
| (approximately 20 percent of Construction Costs) | |
| Subtotal for Installation | \$280,000 |

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BOARD OF SUPERVISORS

BUDGET ANALYST -

| | |
|--|----------------|
| <u>Dismantling Costs</u> | 50,000 |
| <u>Water Department</u> <u>Administrative and Engineering</u> | 50,000 |
| <u>State Department</u> <u>of Water Resources</u> | <u>107,000</u> |
| Project Total | \$487,000 |

Comments:

1. As indicated above, \$10,000 in funds would come directly from revenues appropriated for the Construct Feeder Main Project, and \$477,000 in funds would come from revenues appropriated for the Hetch Hetchy Water Demand Study. Ms. Chris Morioka reports that the Hetch Hetchy Water Demand Study was designed to investigate current water demand and supply needs. However, Ms. Morioka indicates that the Water Department has decided to prioritize projects related to the current drought situation, and the Water Department has therefore decided to delay the Hetch Hetchy Water Demand Study and to use these funds to finance the proposed emergency project to obtain the necessary additional water as soon as possible.

2. According to Mr. Lougee, the City would provide the materials for the proposed connection which includes a 48-inch pipe, approximately 1,050 feet long on concrete supports, crossing Alameda Creek, a control valve, and connection to an existing 20-inch manhole on the City's Sunol pipeline. A contract would be issued for installation and dismantling only. Mr. Lougee reports that the 48-inch pipe would be dismantled after the drought emergency is declared over. Mr. Lougee reports that the proposed connection would be a temporary structure so the Water Department would not have to delay construction while completing an Environmental Impact Report (EIR). Mr. Lougee also reports that if the proposed second connection was built as a permanent structure, an EIR would have to be completed, and construction would have to be delayed by a minimum of three months. Mr. Lougee indicates that the 50,000 acre feet of water may not be able to be transported by December 31, 1991 if construction of the proposed connection is delayed by three months.

3. Mr. Lougee reports that the \$107,000 budgeted for the State Department of Water Resources is for the State costs of modifying their existing water transfer system to accommodate the proposed connection. The State costs would include the removal of a section of 20-inch pipe and installation of a connection to the 48-inch pipe crossing Alameda Creek, the replacement of that section with a valve, installation of a flow meter, an additional pressure reducing valve, and a telemetry circuit for remote control.

4. Mr. Lougee also reports that a contractor for the installation and dismantling of the proposed connection has not yet been selected by the Water Department. The Water Department reports that bids will be solicited from those contractors which are listed at the PUC's Contract Office as City certified MBE or WBE firms.

5. The Water Department is also planning to increase the capacity of the existing connection from 75 cubic feet per second to 100 cubic feet per second. Therefore, the total capacity from the existing connection, and from the proposed second connection would be 125 cubic feet per second. Mr. Lougee indicates that although the second connection alone would be able to transfer the 50,000 acre feet of water purchased from the State, no allowances could be made for malfunctions, periodic inspections and maintenance. Also, the additional 50,000 acre feet of water would be able to be transferred sooner than waiting for the completion of the construction of the proposed second connection. The Water Department estimates that the cost of modifying the existing connection is \$20,000. Mr. Lougee reports that funds are available from the San Antonio Turnout Project, which funded the design and construction of the first connection on the State's South Bay Aqueduct. The \$20,000 would not be included as part of the proposed emergency expenditure.

6. The Public Utilities Commission declared an emergency on April 9, 1991 due to a critical water shortage created by five years of below normal rainfall. Customers of the San Francisco Water Department are currently under a 25 percent water rationing plan. The PUC's recommendation on reducing mandatory rationing from a 45 percent to a 25 percent level was based on an analysis that included the incorporation of the 50,000 acre feet of water from the State Drought Emergency Water Bank.

Memo to Finance Committee
May 8, 1991

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

CITY AND COUNTY



OF SAN FRANCISCO

Public Library, Documents Dept.

ATTN: Gerry Roth

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

May 13, 1991

DOCUMENTS DEPT.

TO: Finance Committee
FROM: Budget Analyst - *Recommendation*
SUBJECT: May 15, 1991 Finance Committee Meeting

MAY 14 1991

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Item 1 - File 97-91-24

Note: This item was continued at the May 8, 1991 Finance Committee Meeting. On May 10, 1991, the sponsor of the proposed legislation's staff met with staff from the City Attorney, Clerk of the Board of Supervisors, Mayor's Office, Budget Analyst and Legislative Policy Analysts. Based on discussions at that meeting, the proposed legislation was amended. An Amendment of the Whole will be presented at the May 15, 1991 Finance Committee meeting. The following report addresses the proposed Amendment of the Whole.

The proposed ordinance would amend the Administrative Code by (a) adding Section 2.6-3 requiring that any legislation having a fiscal impact be so indicated, (b) requiring legislation creating a fiscal impact to be referred to the Finance Committee for consideration, (c) requiring the sponsor of such legislation to make every effort to identify the funding source for the proposed legislation and (d) requiring the Budget Analyst to provide the Board of Supervisors with an analysis of the total cost of the programs provided by such legislation.

Under the proposed legislation, when any ordinance or resolution is introduced, the Clerk of the Board will refer the proposed legislation to the Budget Analyst. Within three days of the receipt of the legislation, the Budget Analyst would review the proposed legislation, to determine and inform the Board of Supervisors whether the proposed legislation would have a fiscal impact.

According to the proposed legislation, "fiscal impact" is defined as a financial effect upon the City's funds in any fiscal year in excess of \$10,000 or a total financial effect upon the City's funds in excess of \$50,000 over a five year period. Fiscal impact would include, but not be limited to the following:

- Appropriation of funds or release of reserved funds.
- Increased or substantial expenditure of funds by: (a) imposing new responsibilities on the City or (b) imposing new or additional duties on a City department, agency, board, person or business having a contract with the City or commission or (c) expanding any City program, function or responsibility.
- Substantial loss of revenue to the City's General Fund or any special fund created by ordinance or charter.
- Substantial reduction of expenditures of City money by reducing, transferring or eliminating any existing services or functions of any City department.

Any legislation that is referred to a committee other than the Finance Committee, that is determined by the Budget Analyst to have a fiscal impact would be subsequently referred to the Finance Committee, if the non-Finance Committee wishes the legislation to be further considered by the Board of Supervisors.

Any legislation that was not initially determined to have a fiscal impact, that was later substantially amended to result in fiscal impacts, would be referred to the Budget Analyst to determine whether the amendments result in a fiscal impact. If the amended legislation is determined to have a fiscal impact, the Clerk of the Board would refer the legislation to the Finance Committee of the Board of Supervisors. Legislation prepared in and reported out of a committee other than the Finance Committee, would also be required to follow this procedure. Legislation determined to have a fiscal impact could not be calendared for consideration by the full Board of Supervisors until such legislation has been reviewed by all Committees asked or required to review the legislation.

To identify that a proposed piece of legislation has a fiscal impact, the Budget Analyst would notify the Clerk of the Board. The Clerk would then identify that the proposed legislation has a fiscal impact in the Board file and on all Board and committee calendars. The Budget Analyst would submit the analysis and cost of the legislation to the Board of Supervisors prior to the legislation being heard by the Finance Committee.

According to the proposed legislation, the sponsor or sponsors of the proposed legislation would be required to "make every effort to identify the funding source" for the legislation that is before the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments

1. According to the City Attorney, the proposed legislation is similar to the State's system in which proposed legislation having a fiscal impact is referred to both a policy committee and a fiscal committee.

2. In July, 1980, the Board of Supervisors adopted a motion directing the Budget Analyst to specifically review Charter amendments that were submitted to the Board of Supervisors for cost analysis. Charter amendments are currently referred to the Administration and Oversight Committee and do not generally come before the Finance Committee for consideration. The proposed legislation would not apply to ballot measures and ballot arguments, charter amendments, employee memoranda of understanding, salary standardization ordinances, interim zoning controls, landmark issues, land use issues and litigation settlements. In general, these types of legislation are not referred to the Finance Committee.

3. Under the proposed legislation, the Finance Committee would review all resolutions or ordinances, if it was determined to have a fiscal impact and if the non-Finance Committee approves the legislation or referred the legislation without recommendation. If the non-Finance Committee did not approve the legislation, tabled the legislation or continued the legislation in committee, the legislation would not be referred to the Finance Committee.

4. According to Ms. Mary Anne Bulen of the Clerk of the Board of Supervisors' Office, the proposed Amendment of the Whole addresses the concerns that the Clerk previously had regarding this legislation.

5. The requirement to make a finding of fiscal impact on all legislation shortly after the matter is introduced and the requirement to monitor all amendments to all legislation to further determine the addition or subtraction of fiscal impact, may increase the portion of the Budget Analyst's workload devoted to legislative matters and committee reports. Consequently the costs for such services may increase modestly or, alternatively, the discretionary amount of funds available for Budget Analyst services to perform management audits or special projects may decrease. The Budget Analyst is prepared to attempt to accommodate the wishes of the Board with no change in our present budget and report back to the Board after a pilot period on the effect of this legislation.

Recommendation

Approve the proposed Amendment of the Whole.

Item 2 - File 101-90-96

Note: This item was continued by the Finance Committee at its meeting of May 8, 1991.

Department: Public Utilities Commission (PUC)
Water Department

Item: Supplemental Appropriation Ordinance appropriating \$160,000 for other current expenses and plumbing supplies.

Amount: \$160,000

Source of Funds: Unappropriated Water Department Revenues

Description: The Water Department is proposing to use the proposed \$160,000 supplemental appropriation to address water conservation through (a) the development of an information packet which would be directed to new residential and commercial water service customers and (b) the provision of water conserving devices to residences under the jurisdiction of the Housing Authority.

The Water Department would use an estimated \$110,000 of the proposed \$160,000 supplemental appropriation to provide water conserving toilet flappers, shower heads and aerators (water flow restricting device for sinks and basins) for 5,000 Housing Authority residential units that are currently not equipped with such devices. The remaining \$50,000 would be used to develop the information packet for new residential and commercial customers. The information packet would contain written and illustrated information on (1) how to read/interpret water meters and bills, (2) practical water conservation measures, (3) devices that reduce water flow on existing water fixtures and (4) converting to water efficient fixtures. The information packets would be developed by existing Water Department staff. The Water Department's projected detailed expenditures for the purchase of the water-conserving devices for the Housing Authority residential units and the development of the information packet are as follows:

| | |
|---------------------------------|---------------|
| <u>Water-Conserving Devices</u> | |
| Toilet Flappers (\$6 x 5,000) | \$30,000 |
| Shower Heads (\$10 x 5,000) | 50,000 |
| Aerators (\$3 x 10,000) | <u>30,000</u> |
| Subtotal | \$110,000 |

| | |
|---------------------------|------------------|
| <u>Information Packet</u> | |
| Materials and Supplies | \$25,000 |
| Layout and Typesetting | 15,000 |
| Printing | <u>10,000</u> |
| Subtotal | \$50,000 |
| | |
| Total | <u>\$160,000</u> |

Comments:

1. The Water Department reports that the information packets would be printed in English, Spanish and Chinese. Additionally, while the packets will primarily be distributed to new residential and commercial customers, current customers would also have access to the packets on request. In addition to the above identified costs, the Department's estimated cost to separately mail these packets is \$6,000-\$9,000. The Department advises that funds to pay for the mailing costs for these information packets are included in the Department's FY 1991-92 budget request.

2. According to Mr. Michael Kelly of the Housing Authority, the decision to have the Water Department pay for the water-conserving devices as opposed to the Housing Authority was based primarily on the fact that the Housing Authority lacked the necessary funds to pay for these costs. Additionally, Ms. Jean Mariani of the PUC reports that the Water Department considered it an important Departmental objective to reduce excess use of water by the Housing Authority residential units, in order to benefit the rest of the City's water system. According to Ms. Mariani, the Housing Authority exceeded its water allotment by 3.7 million gallons in March, 1991. The Housing Authority is responsible for paying all water bills including excess use charges. Installation of the water-conserving devices would lower the Housing Authority's water costs and sewer service charges. Ms. Mariani advises that the Water Department will share responsibility with the Housing Authority in the installation of the water-conserving devices. Mr. John Mullane of the Water Department reports that the water-conserving devices would be installed in FY 1991-92. The cost to install the water-conserving devices would be absorbed in the Department's on-going budget.

3. The Finance Committee at the May 8, 1991 meeting requested that the Water Department meet with the Housing Authority to develop a cost sharing or loan arrangement for the \$110,000 proposed cost.

4. Based on the Water Department bills submitted to the Housing Authority, during the eight month period between August, 1990 and March 1991, the Housing Authority incurred excess use charges of \$178,403, or approximately \$22,300 per month. Based on discussions with the Water Department, installation of the proposed water conservation devices in conjunction with the Water Department's inspection of these plumbing fixtures for leaks should save a minimum of 50 percent of these excess use charges. The Housing Authority would therefore be able to recover the proposed \$110,000 of costs within less than ten months.

5. However, based on discussions with Mr. Mullane of the Water Department and Mr. Michael Kelly of the Housing Authority, the Housing Authority does not have funds in their budget to offset the projected costs of the water conservation measures and does not want to enter into a loan arrangement with the Water Department to undertake this work. According to Mr. Kelly, the Housing Authority has just completed repaying a large debt, and does not want to incur any additional obligations at this time.

6. Based on the Housing Authority's position, Mr. Mullane has requested that if the Board of Supervisors does not wish to approve the funds for use for the Housing Authority, that the proposed \$110,000 be redirected for use in existing City departments, to conserve water. According to Mr. Mullane, in most cases the City has not installed water conservation devices in City facilities. Mr. Mullane reports that he has received requests from the Fire Department, the Police Department, the Health Department and the Department of Public Works to work with them to install such devices at fire and police stations, Laguna Honda Hospital, San Francisco General Hospital and throughout City-owned facilities. Although Mr. Mullane could not provide an estimate of the costs of purchasing and installing such devices for City departments, he estimated that the \$110,000 included in the proposed supplemental appropriation would provide sufficient funds to initiate this program.

Recommendation: The Budget Analyst believes that this request to address water conservation through development of an information package (\$50,000) is justified. Given the outcome of the meeting with the Housing Authority, the Budget Analyst believes it is a policy matter as to whether the \$110,000 for the water conserving devices should be provided to the Housing Authority or existing City departments.

Item 3 - File 97-91-25

Note: This item was continued from the April 17, 1991 Finance Committee meeting.

Departments: Public Administrator - Public Guardian
Public Health, Community Mental Health

Item: The proposed ordinance would amend Section 10.117-58 of the Administrative Code to transfer responsibility for administering the Substitute Payee Program Trust Fund from Community Mental Health Services to the Public Administrator/Public Guardian.

Description: Mr. Ricardo Hernandez, Public Administrator/Guardian reports that the Public Guardian provides representative - payee services for clients receiving treatment from the State Institutions for Mental Disease (I.M.D.). The Public Guardian's I.M.D. Division manages the clients' incomes (i.e., Social Security Income (SSI), Social Security Administration income (SSA) benefits, Veterans Administration benefits, pensions) and uses these monies to (1) reimburse the State Department of Mental Health's locked facilities for the client's share of costs, (2) reimburse health care providers for uncovered medical expenses incurred by clients, (3) provide clients with money for personal needs and clothing and (4) pay interim placement costs to hotels and Board and Care facilities when a client is discharged from a State institution.

The I.M.D. Division is funded by SSI and SSA funds. Social Security Administration regulations permit the Public Guardian to be reimbursed ten percent of each client's costs for treatment at locked facilities, to be used to administer the representative-payee program. For fiscal year 1990-91, \$307,258 in revenues was budgeted for the I.M.D. Division for the provision of these services. The I.M.D. Division serves approximately 350 to 400 clients annually.

The Department of Public Health (DPH) Community Mental Health Services Substitute Payee Program performs representative-payee services for clients who are receiving mental health treatment on an outpatient basis at Community Mental Health Clinics. Community Mental Health Services manages the clients' incomes (Social Security Income (SSI), Social Security Administration income (SSA), Veteran's Administration benefits, General Assistance, pensions) and uses these monies to pay the client's rent and utilities and to provide the clients with money for personal needs. In addition to managing the

BOARD OF SUPERVISORS
BUDGET ANALYST

clients' incomes, the Program also provides general case management services to the clients.

The Community Mental Health Services Substitute Payee Program is funded by General Fund monies. Social Security Administration regulations do not provide for reimbursement to the City for the provision of representative-payee services to clients receiving treatment in the community. For fiscal year 1990-91, \$149,676 was budgeted for personnel for the Substitute Payee Program for the provision of these services. The Substitute Payee Program serves approximately 450 clients annually.

Mr. Hernandez reports that the Public Guardian I.M.D. Division, and the DPH, Community Mental Health Services Substitute Payee Program, essentially serve the same clients. The determination as to which Department will provide the representative-payee services is based solely on whether the client is institutionalized (responsibility of the Public Guardian) or is receiving services on an outpatient basis (responsibility of the Community Mental Health Services). Mr. Hernandez advises that the separation of the fiscal management of these services between the Public Guardian's Office and the DPH, Community Mental Health Services, has caused confusion and inefficiency. As such, the two Departments are proposing to consolidate the representative-payee functions under the single management of the Public Guardian. Mr. Hernandez advises that the Departments have included the budget adjustments that would be required to consolidate these functions, in their respective departmental budget requests for fiscal year 1991-92.

Comments:

1. Mr. Larry Doyle of the DPH, Community Mental Health Services reports that the consolidation of the representative-payee functions would result in the downgrading of a 1650 Accountant position which is currently funded by General Funds to a 2905 Sr. Eligibility Worker. The Public Administrator/Guardian reports that the Sr. Eligibility Worker would be a Medi-Cal revenue funded position.

2. The proposed ordinance would amend the Administrative Code by amending Section 10.117-58 to transfer the Substitute Payee Program Trust Fund from DPH, Community Mental Health Services to the Public Administrator/Guardian. The two Departments are proposing this amendment to the Administrative Code in connection with the proposed consolidation of the representative-payee services. The Substitute Payee Program Trust Fund was established as a special fund to be

BOARD OF SUPERVISORS
BUDGET ANALYST

used by Community Mental Health Services to deposit entitlement checks on behalf of individual clients.

3. The proposed ordinance was continued from the April 17, 1991 Finance Committee meeting because neither the Mental Health Advisory Board nor the Health Commission had yet approved the proposed ordinance. Ms. Monique Zmuda of the Mental Health Department reports that on May 8, 1991 the Mental Health Advisory Board recommended approval and on May 7, 1991 the Health Commission recommended approval of the proposed ordinance. According to Ms. Zmuda, the Health Commission also requested that the Health Department develop a Memorandum of Understanding (MOU) with the Public Administrator-Public Guardian regarding the transfer of responsibilities to insure that operating procedures and adequate reporting of information on Mental Health clients to the Mental Health Department is maintained.

Recommendation: Approve the proposed ordinance.

Item 4 - File 97-91-30

Department: Employees' Retirement System

Item: Ordinance amending the San Francisco Administrative Code by amending Section 16.6-29 - Representation of the City and County of San Francisco in Certain Organizations.

Description: The proposed ordinance would amend Section 16.6-29 of the City's Administrative Code to add three organizations to the membership list of the Employees' Retirement System.

The Employees' Retirement System is requesting authorization for memberships in the following three organizations:

| | Annual Membership Fees |
|--|------------------------------|
| Society of Actuaries | *\$530 |
| Conference of Actuaries in Public Practice | 200 |
| Pensions West | <u>850</u> |
| Total | \$1,580 |

* The \$530 membership fee to the Society of Actuaries is for the first year of membership. After the first year, the annual membership fee is \$190.

Comments: 1. The Employees' Retirement System reports that the \$1,580 annual membership fees has already been included in the Department's FY 1990-91 budget. Therefore, no additional funds will be requested. The Employees' Retirement Trust Fund is the source of the \$1,580 budgeted for membership fees.

2. According to the Mr. Rudy Hernandez of the Employees' Retirement System, the Employees' Retirement System is requesting authorization for membership in Pensions West to participate in the only database for pension funds that is more widespread than the State of California and it includes corporate and public retirement plans. According to Mr. Hernandez, the benefits for membership in the Society of Actuaries and the Conferences of Actuaries in Public Practice would include the receipt of publications on current actuarial issues and the availability of conferences and seminars specifically designed for actuaries.

3. The Employees' Retirement System currently has membership in eleven organizations. The total annual membership fees to these eleven organizations is \$8,542.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
May 15, 1991

Recommendation: Approve the proposed ordinance.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 5 - File 101-90-101

Department: Department of Social Services (DSS)

Item: Ordinance appropriating funds for the Department of Social Services for child care in residential treatment programs.

Amount: \$22,764

Source of Funds: State Department of Social Services

Description: DSS has been selected as the sole pilot county to implement the Family Maintenance Abuse Treatment Pilot Project, pursuant to the mandate of AB 3490. The Family Maintenance Abuse Treatment Pilot Project is a 32-month program, which is intended to provide child-care and other enrichment programs to children, while their parents participate in residential substance abuse treatment programs.

The children of the parents who participate in this program would normally be placed in foster care or group homes, separated from their parents, while the parents participate in the substance abuse treatment programs. This proposed project would allow the children to reside with their parents in the residential program and provide child-care and other enrichment programs while the parents receive substance abuse treatment.

To pay for the child-care and related services, the program would pay supplemental AFDC benefits of \$271 per month per child. These payments would be made at the end of each month. The program is intended to serve 42 children.

The proposed appropriation of \$22,764 would pay for services for 42 children during the period May 1, 1991 through June 30, 1991.

Comments: 1. The Family Maintenance Abuse Treatment Pilot Project is a 32-month program, which began May 1, 1991 and is scheduled to end in December, 1993. The State DSS would pay for the total cost of the pilot program, which is \$364,224. According to DSS, the following expenditure appropriations would be included in the Department's 1991-92, 1992-93, and 1993-94 budgets:

| | |
|--|---------------|
| 1990-91 (May, 1991 - June, 1991; This appropriation request) | \$22,764 |
| 1991-92 (42 children at \$271/month for 12 months) | 136,584 |
| 1992-93 (42 children at \$271/month for 12 months) | 136,584 |
| 1993-94 (July, 1993 - December, 1993; 42 children at \$271/month for 6 months) | <u>68,292</u> |
| Total pilot project | \$364,224 |

2. The Department has stated that the pilot program would allow (1) DSS to maintain the family unit while providing substance abuse treatment to the parents; (2) improve the health and welfare of the children; and (3) reduce expenditures on foster care and group home care.

3. According to Ms. Ann O'Rielly of DSS, the Department would normally pay \$600 per month to place a child in a foster care home, while the parents participate in substance abuse treatment programs. The cost to place a child in a group care home is \$2,200 per month. Therefore, this proposed pilot program would save a minimum of \$329 per month, per child, to a maximum of \$1,929 per month, per child, on foster care aid expenditures. On an annual basis, the pilot program would save between \$165,816 and \$972,216 in foster care expenditures, depending on the number of children that would be placed in foster care homes or group care homes. Of these amounts, because the City pays for approximately five percent of the cost of foster care, the City's General Fund share of the savings would be between \$8,291 and \$48,611 per year, depending on the number of children that would be placed in foster care homes or group care homes.

BOARD OF SUPERVISORS
BUDGET ANALYST

4. As indicated above, the proposed pilot program would continue through December, 1993. Based on the current costs for foster care aid expenditures, over the life of the proposed pilot program the City's General Fund savings would be between \$22,109 and \$129,629.

5. The Social Services Commission recommended the proposed ordinance at its meeting of April 25, 1991. Ms. O'Rielly reports that the program began May 1, 1991. The supplemental AFDC payments would be paid at the end of the month. Approval of this ordinance would allow DSS to begin paying for the services provided beginning on May 1, 1991. However, because the DSS has already begun providing the services under the pilot program, the proposed ordinance should be amended to allow DSS to retroactively pay these supplemental AFDC benefits beginning on May 1, 1991.

Recommendation: Amend the proposed ordinance to allow DSS to retroactively pay these supplemental AFDC benefits for the month of May, 1991. Approve the proposed ordinance as amended.

Item 6 - File 101-90-99

Department: Recreation and Park

Item: Ordinance appropriating funds for other contractual services and providing for ratification of action previously taken.

Amount: \$482,828

Source of Funds: Candlestick Park Fund

Description: In 1987, the City entered into an agreement with the Sony Corporation of America (Sony) for a new scoreboard for Candlestick Park. Under this agreement, Sony agreed to pay the City \$200,000 per year (escalated at three percent per year) for the City to operate the scoreboard.

Based on a 1987 informal arrangement between the City, through the Recreation and Park Commission, the San Francisco Giants and the 49ers, the Giants were designated as the operator of the scoreboard for baseball, football and special events at Candlestick Park. One payment of \$200,000 was made by the City to the Giants in 1987 for the operation of the scoreboard. However, no formal operating agreement was finalized between the City and the Giants to specify the operating costs and identify procedures for the scoreboard.

The Controller subsequently advised the Recreation and Park Department that no additional payments should be made to the Giants without a written scoreboard operating agreement. As a result, no additional payments have been made by the City to the Giants for the operation of the scoreboard, pending the approval of a scoreboard operating agreement between the Giants and the Recreation and Park Commission. The scoreboard operating agreement has now been completed and would formally designate the Giants as the operator of the Candlestick Park scoreboard for baseball, football and special events through February 28, 1995 or until the Giants cease baseball operations at Candlestick Park, whichever happens first.

The proposed supplemental appropriation ordinance for \$482,828 would be used to pay the San Francisco Giants for a portion of the claimed operating costs for the Candlestick Park scoreboard between the years 1987 through 1990. (See points 8, 9 and 10 below.)

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments:

1. In addition to the \$200,000 (plus three percent per year) that Sony pays the City for operating the scoreboard, under the agreement between the City and Sony, Sony receives the first \$1 million of advertising revenues each year for the first ten years (through 1997) and is responsible for repairing and maintaining the equipment at a cost of approximately \$65,000 per year. Advertising revenues that exceed \$1 million annually are split 65 percent to the City and 35 percent to Sony. According to Mr. Phil Arnold of the Recreation and Park Department, for the 1990 baseball season, the Candlestick Park Fund received approximately \$180,000 of advertising revenue. As part of the agreement with Sony, after 1997, all advertising revenues would belong to the City.

2. The Candlestick Park Fund, which is the source of the proposed supplemental appropriation, is a Recreation and Park Department enterprise fund. The Candlestick Park Fund receives Stadium rental, parking, concession and Admission Tax revenues from the 49ers and the Giants, in addition to a percent of the Hotel Tax and uses these sources to finance all City operations for Candlestick Park. The 1991-92 Annual Appropriation Ordinance estimates a balance of over \$2.3 million in unappropriated revenues in the Candlestick Park Fund. Mr. Arnold reports that the current balance in the Candlestick Park Fund is approximately \$500,000 to \$700,000. No General Fund monies would be used to fund the proposed request.

3. The Scoreboard Operating Agreement between the City and the Giants has been approved by the Recreation and Park Commission. According to Mr. Arnold, this agreement does not require the Board of Supervisors approval because it does not involve more than \$1 million in revenue per year and the agreement would be for less than ten years. As stated above, this agreement would extend through February 28, 1995, or until the Giants cease baseball operations at Candlestick Park, whichever happens first. According to the Master Lease with the Giants, their lease expires after the 1994 baseball season. However, the Giants have the option to terminate their lease with notice to the City by December 31 of any year between now and the expiration of the Master Lease.

4. According to the Scoreboard Operating Agreement, operating costs for the scoreboard cannot exceed the 1990 costs of operating the scoreboard, plus inflation based on the Bay Area Consumer Price Index, without review and approval by the Recreation and Park Commission. As stated in the Scoreboard Operating Agreement, costs of \$258,660 were incurred by the Giants during the 1990 Budget Year. However, as noted below, to date, these reported costs have not been audited by the Controller. The contract amount for scoreboard operations would then be included in the annual budget request for Candlestick Park which is submitted by the Recreation and Park Commission to the Mayor and the Board of Supervisors for approval.

5. However, the Scoreboard Operating Agreement also states that if the Board of Supervisors does not appropriate funds to cover the budget submitted by the Recreation and Park Department, the costs incurred by the Giants to operate the scoreboard would be offset through a rent credit to the Giants. Mr. Arnold reports that this is included because the Budget Year for the Giants is March 1 through February 28 and the Board of Supervisors would not review the budget until mid-June each year. According to Mr. Arnold, if the Board does not approve the budget as submitted, the Agreement therefore permits the Giants to offset through a rent credit any actual costs incurred between March 1 and when the Board of Supervisors approves the City's budget.

6. The Scoreboard Operating Agreement provides that the Giants cannot charge the San Francisco 49ers an additional charge for these scoreboard services. In addition, the City, can display a "reasonable number of messages, which are Recreation and Park Commission related", at no cost to the City, although any incremental costs of production of these messages which are outside the scoreboard operating budget approved by the City would have to be borne by the City. Mr. Arnold advises that the Recreation and Park Department usually displays one to two messages per baseball game, at no additional charge. For special event tenants, the Giants would be able to charge the actual cost of operating the scoreboard equipment plus an amount for administration and overhead, not to exceed 20 percent.

7. If the Giants cease baseball operations at Candlestick Park, the 49ers have the option to operate the scoreboard under the same terms and conditions of the proposed agreement.

8. Mr. Arnold reports that based on the following statement of costs submitted by the Giants, the Recreation and Park Department estimates that the Recreation and Park Department owes the Giants a total of \$767,828, net of the \$200,000 paid in 1987, for the scoreboard operation between 1987 and 1990:

| | |
|-------|----------------|
| 1987 | \$38,513 * |
| 1988 | 233,944 |
| 1989 | 236,711 |
| 1990 | <u>258,660</u> |
| Total | \$767,828 |

* Estimate of \$38,513 is based on total reported costs of \$238,513 less the \$200,000 payment made to the Giants in 1987.

9. Mr. George Linn of the Controller's Office reports that the \$767,828 amount reported by the Giants for the past four years has not yet been audited by the Controller's Office. According to Mr. Linn, once the Controller's Office has access to the Giant's records on the scoreboard operations, the audit could be completed in two to three weeks. To date, these records have not been available.

10. The proposed supplemental appropriation ordinance is in the amount of \$482,828 because the Recreation and Park Department included \$285,000 in their 1990-91 budget to operate the Candlestick scoreboard. The 1990-91 budget of \$285,000 for scoreboard operations and the proposed \$482,828 supplemental appropriation total \$767,828, which would be paid to the Giants. As noted in the ordinance, although the City has not incurred a legal obligation under the Charter, because the proposed supplemental appropriation would pay for costs incurred between 1987 and 1990, the ordinance would ratify an action previously taken.

11. The Budget Analyst reviewed the scoreboard operating budgets submitted by the Giants and notes that included in each year's budget is a \$125,000 production fee. According to Mr. Arnold, this is an amount that the Giants pay themselves to produce the animation for the scoreboard. Mr. Corey Busch of the Giants reports that these costs represent the portion of the Giants' total production costs for the scoreboard, allocated on a per baseball game rate. The Budget Analyst questions why this amount is so large and has not changed over the four budget years. According to Mr. Busch, the costs have not changed because the production crew has been able to reuse material from prior years, thereby achieving savings that offset salary and other production cost increases.

12. The Budget Analyst also notes that although the City is being reimbursed for the operating costs for the scoreboard by Sony, the amount that the Giants are charging the City for the operation of the scoreboard exceeds the amount received from Sony. The following chart identifies the amount paid to the City by Sony, the amount requested by the Giants for operating the scoreboard and the difference.

| <u>Year</u> | <u>Sony Pays to City</u> | <u>City Pays to Giants</u> | <u>Difference (Cost to Candlestick Fund)</u> |
|-------------|------------------------------|--------------------------------|--|
| 1987 | \$200,000 | \$238,513 | \$38,513 |
| 1988 | 206,000 | 233,944 | 27,944 |
| 1989 | 212,180 | 236,711 | 24,531 |
| 1990 | <u>218,545</u> | <u>258,660</u> | <u>40,115</u> |
| Total | \$836,725 | \$967,828 | \$131,103 |

Given that the Giants costs to operate the scoreboard exceed the amount of revenue that the City receives from Sony, the Budget Analyst questions why the operation of the scoreboard was not competitively bid, to insure that the City was receiving the best price for the services provided. Furthermore, the Budget Analyst questions why the Recreation and Park Commission is proposing to reimburse the Giants through the proposed supplemental appropriation when the amounts have not yet been audited by the City's Controller.

BOARD OF SUPERVISORS
BUDGET ANALYST

13. It should also be noted that, according to Mr. Ernie Prindle of the Recreation and Park Department, the Giants have withheld approximately \$888,000 in rent payments to the City because the proposed operating costs for the scoreboard have not been paid. According to Mr. Mike Shapiro of the Giants, the Giants will pay the rent withheld if the City pays the scoreboard operating costs to the Giants.

14. As discussed above, the Budget Analyst questions why the proposed operation of the scoreboard at Candlestick Park was not competitively bid, to insure that the City was receiving the most qualified and cost effective services available. Furthermore, the Budget Analyst questions why the proposed supplemental appropriation is being requested for approval when the Controller has not had an opportunity to review the actual costs incurred by the Giants to operate the scoreboard between 1986 and 1990. Although the agreement has already been approved by the Recreation and Parks Commission, the annual payment amounts involved were derived from the Giants' claimed actual operating costs. Such costs were not verified by the Recreation and Parks Commission prior to approval of the scoreboard operating agreement.

This issue is compounded by the problem that the City is receiving less revenue from Sony to operate the scoreboard than the City is paying the Giants, and that the Giants have included a \$125,000 production fee each year for their operations.

Recommendation: Reserve the entire \$482,828 of the proposed supplemental appropriation pending audit and verification by the Controller's Office.

Item 7 - Files 65-91-3

Department: Recreation and Park

Items: Ordinance approving Third Amendment to the Stadium Lease between the City and County of San Francisco acting through the Recreation and Park Commission and the San Francisco Giants.

Description: The proposed changes to the Stadium Lease with the Giants would be the third amendment. The first amendment to the Lease was approved in May, 1979. The second amendment to the Stadium Lease was approved in August, 1989. The proposed ordinance to approve the third amendment to the Stadium Lease would provide the following:

Giants operate parking lot during baseball events. This provision is also included in the proposed parking lot agreement (Item 9 - File 63-91-1).

An agreement for the operation of the scoreboard during the term of this lease. A separate agreement for the scoreboard has been completed and the funds to reimburse the Giants for the scoreboard's operation are included in the Item 6 - File 101-90-99.

Two luxury suites (Suites C and E) to be provided by the Giants for the City's exclusive use, for official City related purposes only. Free entry into the Stadium on game days equal to the authorized capacity of these two luxury suites would be provided by the Giants to the City.

Giants shall pay rent to the City on all luxury suites based on five percent of the gross revenues received, less deductions. These deductions would include applicable ticket taxes, National League and visiting club fees, the value of one parking pass for every four suite seats, the value of one Stadium Club membership for each suite seat and a cleaning and service charge of \$50 per suite for each game. This service charge would be increased annually by an amount not to exceed the Bay Area's Consumer Price Index.

Giants can issue up to 247,000 complimentary tickets per season, at the discretion of the Giants. This would be in addition to the unlimited number of complimentary tickets issued as part of the Giant's Operation Desert Storm program during the 1991 season. Giants will give the Recreation and Park Commission 7,000 of the 247,000 complimentary tickets, to be used by the Recreation and Park Department for children and youth involved in Recreation and Park Department programs, the games and location of the tickets to be mutually agreed upon. In addition, a "reasonable number of complimentary tickets" would be provided to the City on request.

Giants must maintain accurate records of all transactions, open to inspection by City Controller at all times and furnish on or before the 15th of each month throughout the term of this lease, information showing the paid admissions received by the Giants for games played during the preceding month. A copy of the Giants' certified audit report must be provided to the Controller, and the City has authority to examine and audit Giants records to verify amounts payable to the City.

Repairs, improvements and operational expenses undertaken by Giants, on behalf of Recreation and Park Commission, may be deducted from any rents due to the Recreation and Park Department.

Comments:

1. On March 21, 1991, the Recreation and Park Commission adopted a resolution approving the third Stadium Lease Amendment with the Giants, which was subsequently modified by the Commission on April 18, 1991.
2. As noted above, several provisions of the proposed third amendment to the Stadium Lease relate to the three other items concerning the Giants at Candlestick Park that are being considered by the Board of Supervisors.
3. According to the proposed lease amendment, after the 1991 baseball season, the two luxury suites (Suites C and E), may be exchanged for other suites, the location of which are to be determined by the City and the Giants. The proposed amendment also specifies that these two luxury suites will be used for official City related purposes only and the City cannot offer or cause to be offered for sale the right of admission to these luxury suites.

4. Mr. Phil Arnold of the Recreation and Park Department reports that the Recreation and Park Commission will be responsible for establishing policies for the actual use of these luxury boxes. According to Mr. Arnold, the City also has use of three 49er luxury boxes, one of which is used by the Mayor, one of which is for the General Manager of Recreation and Park Department and one of which, under rules adopted by the Recreation and Park Commission this past year, are available for use by all City Commissioners.

5. According to Mr. Corey Busch of the Giants, the luxury Suites C and E, including parking and Stadium Club membership, equals an estimated retail value to the Giants of approximately \$96,000 per year.

6. The most significant provision of the proposed amendment is the inclusion of the luxury suite rental in the calculation of the amount of rental revenue paid to the City. Under the previous agreement, the Giants were only paying the City a rental of five percent of the revenue of the prices of the individual tickets sold. However, in addition to the ticket revenues, the Giants charge a premium price for the use of the luxury boxes. Rental revenue on this premium was not previously being paid to the City. However, based on an opinion by the City Attorney's Office on April 3, 1990 and as part of the settlement agreement (See Item 8 - File 49-91-1), the Giants have agreed to pay rent on the luxury suites in the amount of \$146,390 for 1986 through 1990. Although this amount does not actually reflect the amount owed to the City for these prior years, the proposed amendment will require the Giants to include the luxury suite rental in the revenue paid to the City for all future years.

7. According to Mr. Arnold, the Recreation and Park Department estimates that the proposed inclusion of luxury suites in the rental revenue calculation should result in approximately \$100,000 of additional revenue to the City each year. Mr. Arnold reports that the Candlestick Park Fund received approximately \$912,000 of rental revenue from the Giants as a result of ticket sales for 1990 baseball season.

8. It should be noted that a City Attorney opinion dated April 3, 1990 states that the Giants lease specifies that a minimum rental of \$125,000 each calendar year or a sum equal to five percent of paid admissions to all regularly scheduled games shall be paid to the City by the Giants, whichever is greater. According to the City Attorney, the term "paid admissions" is defined to mean the gross amount paid for admissions after deducting taxes and the amount paid to visiting clubs and the National League. The City Attorney's letter specifically states that "Revenues derived from a luxury suite tenant (i.e., Stadium Club admissions, parking and maintenance) are elements of the price paid for the admission to the Stadium".

9. However, under the proposed lease amendment, the definition of "paid admissions" would be changed to exclude surcharges for parking, membership in the Stadium Club and a \$50 per suite per game cost of cleaning. According to Mr. Arnold, the Giants lease does not provide that the Giants will pay the City for rental revenues received from the Stadium Club, which is operated by the Giants in Candlestick Park. However, Mr. Arnold reports that each luxury box seat holder is required to purchase a membership in the Stadium Club. There is a total of approximately 1,000 luxury box seats and the value of the Stadium Club membership is \$100 per seat for a total Stadium Club membership revenue of approximately \$100,000. This amount would be deducted from the gross revenues paid to the Recreation and Park Department. Based on the City's rental revenue of five percent, the City would lose approximately \$5,000 of rental revenue for the baseball season.

10. The proposed amendment provides that the Giants can deduct the cost of one parking pass for each four suite seats. Based on an estimated 1,000 suite seats, the City would lose approximately \$4,000 of rental revenue for the baseball season.

11. Mr. Arnold reports that the proposed amendment also provides for a \$50 per suite per game service charge to be added by the Giants because the Giants are responsible for cleaning all of the suites after each game. However, the Budget Analyst questions why the deduction for cleaning of the suites is being allowed because the Giants are already responsible for cleaning the entire Stadium after each baseball game. In addition, a comparison of the cleaning charge by the Giants with the janitorial services contract with the Recreation and Park Department for football games indicates that the Giants are charging \$50 per suite per game while the Recreation and Park Department is charged by its janitorial contractor only \$37 per suite per game, or \$13 less per suite than the Giants. The exclusion of the \$50 cleaning fee results in a loss of approximately \$16,000 of annual revenue to the City.

12. The current lease with the Giants states that the Giants can provide 3,000 complimentary tickets per game and an unlimited number of children's complimentary tickets. However, because of the difficulty of distinguishing the type of complimentary tickets issued, the proposed amendment would not provide for an unlimited number of children's tickets. Rather, the proposed amendment would provide that approximately 80 home games at 3,000 tickets per game results in a total of approximately 240,000 complimentary tickets per season, which the Giants could issue. The proposed amendment would also provide the Recreation and Park Department with 7,000 complimentary tickets, which the Department could distribute. The Giants estimate these 7,000 tickets are worth approximately \$56,000 per year, or approximately \$8 per ticket. Mr. Arnold reports that in prior years, the Recreation and Park Department had been purchasing tickets from the Giants for use by children and youth in their programs. In addition, as part of the proposed lease amendment, the Giants will provide complimentary tickets to the Board of Supervisors, on request. The "reasonable number of complimentary tickets" should be defined more clearly.

13. Mr. Arnold advises that a provision is being included in the proposed lease amendment to enable the Giants, with prior written approval of the Recreation and Park Commission, to undertake repairs and improvements to Candlestick Park. The costs of such repairs or improvements would be deducted from the amount of rental revenue that the Giants owe the City. This provision enables the Commission to authorize additional

expenditures, without approval of the Mayor or the Board of Supervisors.

14. The proposed amendment would be effective as of the beginning of the 1991 baseball season. If the proposed lease amendment is approved, language should be included to insure that the lease is retroactive to the beginning of the 1991 baseball season.

15. The Budget Analyst notes that although the City Attorney issued an opinion stating that revenues derived from luxury suites, including Stadium Club admissions, parking and maintenance costs are elements of the price paid for the admission to the Stadium, the proposed lease amendment would exclude Stadium Club admissions, parking and maintenance costs from the rental revenues paid to the City. Together, the Budget Analyst conservatively estimates that these exclusions would result in a loss of approximately \$25,000 of revenue per year to the City.

Recommendations:

1. Based on the April 3, 1990 City Attorney's opinion regarding luxury suite rental, amend the proposed lease agreement to include Stadium Club admissions, parking and maintenance costs in the calculation of rental revenues to the City.
2. Clearly define "reasonable number of complementary tickets".
3. Amend the provision which enables the Giants to undertake repairs and improvements to Candlestick Park with only the approval of the Recreation and Park Commission, to include approval by the Mayor and the Board of Supervisors.
4. Amend the proposed lease amendment to provide a retroactivity clause as of the beginning of the 1991 baseball season.

Item 8 - File 49-91-1

Department: Recreation and Park

Item Resolution approving the settlement agreement in an unlitigated claim of the Giants in the sum of \$292,000 in favor of the City and County of San Francisco

Description: On December 27, 1990, the Controller's Office issued an audit report on the San Francisco Giants 1989 baseball season. This report identified several issues regarding the appropriate rental and parking payments between the City, through the Recreation and Park Commission, and the Giants. According to the proposed resolution, the Commission and the Giants have reached a settlement on these matters, which includes a payment by the Giants to the City of \$292,000 and a modification of the Stadium Lease and the agreement under which parking payments are made to the City. Modifications of the Stadium Lease are included in Item 7 - File 65-91-3 and changes to the parking agreement are included in Item 9 - File 63-91-1.

The Controller's Internal Audit Division report on the San Francisco Giants 1989 baseball season on December 27, 1990 contained the following recommendations and the Recreation and Park Department is proposing the following resolution to address each of these issues:

- a. Controller's Recommendation - Recreation and Park Department bill the Giants for \$4,864 in interest penalties for late penalties on parking lot operations during the 1989 baseball season.

Resolution - Giants have agreed to pay \$4,864 in interest penalties for late payments on parking lot income during the 1989 baseball season.

- b. Controller's Recommendation - Recreation and Park Department bill the Giants for underpaid preferred parking during the 1989 baseball season in the amount of \$2,373 plus applicable interest.

Resolution - Giants have agreed to pay \$2,373 for underpayment of preferred parking during the 1989 baseball season.

BOARD OF SUPERVISORS
BUDGET ANALYST

- c. Controller's Recommendation - Recreation and Park Department bill the Giants \$3,710 plus applicable interest for an unallowed commission deducted by Candlestick Parking Service, the previous parking operator, from its remittance to the Giants.

Resolution - Giants have agreed to pay \$3,710 to compensate for an unallowed commission.

- d. Controller's Recommendation - Recreation and Park Department resolve a dispute concerning whether the Giants must pay for preferred parking stalls not used. The City Attorney issued an opinion that payment should be made for preferred parking stalls whether or not they are used. For the 1989 baseball season, the additional payment due from the Giants would be \$134,663.

Resolution - Giants have agreed to pay the City \$134,663 as full compensation for preferred parking stalls not used for the 1989 and 1990 baseball seasons.

- e. Controller's Recommendation - Recreation and Park Department and the Giants resolve the issue of whether rental income on the luxury suites is to be included in the computation of the rent paid to the City by the Giants under the stadium lease between the Giants and the City.

Resolution - Giants have agreed to pay \$146,390 as full compensation for rental on luxury suite income for the 1986 through 1990 baseball seasons and to include luxury suite rental income in all future calculations of rent paid to the City under the Stadium Lease.

The above resolution items total the proposed \$292,000 settlement agreement.

Comments:

1. The City Attorney recommends the proposed settlement of the unlitigated claim of \$292,000 in favor of the City.
2. The Budget Analyst notes that the significant differences between the findings of the Controller's audit and the proposed resolution for a settlement agreement are as follows:
 - a. No difference.

BOARD OF SUPERVISORS
BUDGET ANALYST

- b. No applicable interest payments are included in the proposed settlement agreement.
- c. No applicable interest payments are included in the proposed settlement agreement.
- d. The dispute between the Recreation and Park Department and the Giants regarding the preferred parking stalls is addressed in the proposed Parking Lot Agreement which is currently before the Finance Committee (Item 9 - File 63-91-1).

Although the Controller's audit identified \$134,663 of additional payments due from the Giants based on a review of only the 1989 baseball season, the proposed settlement agreement includes \$134,663 in total to be paid by the Giants for both the 1989 and 1990 baseball seasons. Discussions with Mr. Phil Arnold of the Recreation and Park Department indicate that the Giants operated under the same assumptions regarding the use of the preferred parking stalls for both 1989 and 1990. It is therefore reasonable to assume that if these factors remained constant, an additional approximately \$135,000 is owed by the Giants to the City for the 1990 baseball year. According to Mr. George Linn of the Controller's Office, the Controller's Office has not yet completed their audit of the Giants for the 1990 baseball season.

- e. The subject of luxury suite rental income is addressed in the proposed Third Lease Amendment which is currently before the Finance Committee (Item 7 - File 65-91-3).

The Controller's audit report stated that although the City Attorney interpreted the Giant's lease to require that rental income from the luxury suites are subject to rent, the Giants did not include the rental income from the luxury suites in the gross receipts subject to the City's rent. The Controller therefore requested that the Giants permit the Controller to review the Giants' records for luxury suite rental. However, the Giants did not permit their records for the luxury suites to be reviewed for audit by the Controller's Office. As a result, the actual amount of luxury suite income that is owed by the Giants to the City between 1986 through 1990 is not available. According to Mr. Arnold, the amount of \$146,390 to be paid as full compensation for

such rental income is not based on the actual amount owed but is rather a negotiated amount.

3. Given that the 1990 audit of the Giants baseball season for parking has not been completed, the Budget Analyst questions why the proposed settlement agreement would waive the potential amount owed to the City from 1990 preferred parking use. The Budget Analyst therefore recommends that the proposed settlement agreement be continued until the 1990 audit is completed, in order to determine the amount of additional revenue that may be owed to the City from preferred parking stall use. Furthermore, the proposed settlement agreement for luxury suite rental between 1986 and 1990 should be subject to review and verification by the Controller's Office prior to approval of this claim.

Recommendation: Continue the proposed settlement agreement pending the completion and report by the Controller's Office of the amount of additional revenue due to the City from preferred parking stall use in 1990 and a review and verification by the Controller's Office of the luxury suite rental due to the City for 1986 through 1990.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 9 - File 63-91-1

Department: Recreation and Park

Item: Resolution approving an agreement between the San Francisco Giants and the City and County of San Francisco through the Recreation and Park Commission for operation of the parking lot at Candlestick Park for baseball events.

Description: Prior to 1989, the parking lots at Candlestick Park were operated by Candlestick Parking Service (CPS), a private contractor. Beginning in April, 1989, the Giants and the City, through the Recreation and Park Commission, entered into a one-year interim operating agreement for the Giants to operate the parking lot at Candlestick Park during the baseball season. According to Mr. Phil Arnold, of the Recreation and Park Department, this one year interim agreement was extended for another year, through the 1990 baseball season. These interim agreements were not approved by the Board of Supervisors.

The proposed resolution would approve a formal parking lot agreement to permit the Giants to operate the Candlestick Park parking lot beginning on the pre-season home game in 1991 until the Giant's lease expires at Candlestick Park through the close of the 1994 baseball season.

Similar to the current interim arrangement, under the proposed agreement, the Giants would be reimbursed for their operating costs plus a fee of five percent of parking lot revenues, net of parking taxes and operating costs. After deducting these operating expenses, taxes and fees from the gross receipts, the Giants would pay all revenues to the Recreation and Park Department by the 25th day of each month based on receipts for the preceding month. The Department would therefore receive 95 percent of the net revenues from the main parking lot.

The Giants would be required to submit a budget for operating costs no later than December 1st of each year for the following budget year. Maximum operating costs would be based on the 1990 season's operating costs of \$325,585 plus a cost of living adjustment based on the Bay Area's Consumer Price Index. Any additional costs increases would have to be submitted separately by the Giants for consideration by the Recreation and Park

BOARD OF SUPERVISORS
BUDGET ANALYST

Commission. Under the proposed agreement, these costs would not be subject to review by the Board of Supervisors.

The Giants also have a separate agreement with the Recreation and Park Department to operate a pre-paid preferred parking section in the Candlestick parking lot. This preferred parking section consists of a total of 1,765 parking spaces, of which 650 spaces are provided under the Giants' Stadium Master Lease, as part of the Giants sales promotion for season ticket sales, and the remaining 1,115 spaces are addressed in the proposed agreement (see below.) The total number of preferred spaces can be adjusted annually with the approval of the Recreation and Park Commission.

The proposed agreement specifies new procedures for the Giants to follow for operating and accounting for these preferred parking spaces. Under the proposed agreement, the Giants will pay the City only for those preferred parking spaces actually used unless the rest of the main parking lot is filled to capacity in which case the Giants will pay the City for all 1,115 preferred parking spaces whether used or not, based on the prevailing parking rates, less the applicable parking tax. According to the proposed agreement, the Giants' cost to operate the preferred parking lot is not subject to this agreement and such costs are the responsibility of the Giants.

Under the proposed agreement, the Giants will be responsible for maintaining general liability, automobile, employers and workers compensation insurance, including naming the City as an additional insured on each policy, as an operating expense. The Giants would also be responsible, as an operating expense, to prepare and post signs at all gate entrances showing the parking rates and charges. As an additional operating expense, the Giants will maintain and mechanically sweep the parking lot, as needed. As discussed above, all of these operating expenses would be paid by the City.

The Recreation and Park Commission would be responsible for cleaning the parking lot after non-baseball events and the Commission is responsible for the cost of repairs, paving, lighting and striping of the parking lot, as needed.

Parking fees owed to the City by the Giants that are not paid by the 25th of each month would accrue interest at the rate of one percent per month. The Giants would be responsible for using both automatic auto counters and printed parking tickets, to be approved by the Recreation and Park Commission, at the entrances to the parking lots to control the accounting and reporting of parking receipts to the Commission. It is noted in the proposed agreement that the existing removable auto counters and printed tickets are in compliance with such requirements.

Although the Recreation and Park Department may advise the Giants regarding operating procedures, hours and number of attendants, the Giants will be responsible for establishing the hours of operation, providing attendants at the parking facility and identifying an area for the disabled.

The proposed agreement would also reserve 40 free parking spaces for use by Recreation and Park Department employees working at the stadium on event days.

Comments:

1. Under this proposed agreement, the City would, based on 1989 parking receipts, receive 76.4% of total parking revenue, with 19.6% paid to the Giants for operating costs and approximately 4% remitted as additional revenue to the Giants. Under this arrangement, the Giants profit, or net income, would equal approximately 20.5% of their operating expenses.
2. Similar to the proposed scoreboard lease agreement, it should be noted that if the Giants exercise their right to terminate their master lease at Candlestick Park prior to the end of 1994, the proposed parking lot lease would terminate.
3. As a new provision, the Giants must provide the Recreation and Park Commission with an annual audit of their costs and receipts, to be prepared by a certified public accounting firm, within 180 days of the end of each baseball season. The cost of this audit is not included as an allowable operating cost for the parking lot.
4. According to Mr. Arnold, the 40 free spaces in the parking lot for Recreation and Park Department employees provides for a written agreement of a procedure

that has been in practice for several years. Use of these spaces is distributed by the Department and would be used by the engineers, custodians, groundskeepers, etc. that work at Candlestick Park on the days of the games. However, discussions with Mr. Mike Gay, Chief Stationary Engineer at Candlestick Park indicate that most of the Recreation and Park Department employees already use other spaces provided adjacent to the Stadium and do not park in the main lot. The Budget Analyst questions the need for 40 parking spaces for the use by employees of the Recreation and Park Department.

5. The most significant difference between the existing parking lot arrangements and the proposed agreement involves the preferred parking lot spaces. As discussed above, the proposed agreement would require the Giants to pay the City only for those preferred parking spaces actually used unless the rest of the main parking lot is filled to capacity in which case the Giants will pay the City for all the 1,115 preferred parking spaces whether used or not. According to Mr. Arnold, the proposed agreement would also require the Giants to pay for any preferred parker who parks in the main lot and would therefore require the Giants to pay for any parker who uses the parking lot, whether they park in the main parking lot or the preferred lot. Under the previous agreement, the Giants were required to pay for the preferred parking stalls whether or not they were used. A City Attorney opinion on this matter confirms this prior position, which resulted in a large portion of the \$292,000 settlement agreement (See Item 8 - File 49-91-1).

6. According to the Controller's audit, the Recreation and Park Department received approximately \$1.3 million in parking lot revenues from the Giants as a result of the 1989 baseball season. As reported in the Controller's audit of the 1989 baseball season, the Giants underpaid the City approximately an additional \$134,663 of parking revenues from the preferred parking lot. Based on data extrapolated from Giants parking information, the Budget Analyst estimates that the proposed agreement would result in the City not receiving approximately \$80,000 of additional revenue from these preferred parkers, as compared with the current agreement.

7. Based on a review of the Giants reported and projected parking lot operating costs, 1990 costs totaled \$325,585 as compared with the projected 1991 budget of \$340,236, an approximate 4.5 percent increase.

BOARD OF SUPERVISORS
BUDGET ANALYST

8. Included in the Giants reported costs is a Crew Supervisor at a cost of \$55,000 for the baseball season, the highest paid position in the budget. Based on discussions with Mr. Arnold of the Recreation and Park Department and Mr. Mike Shapiro of the Giants, this Crew Supervisor has been included since the Giants began the operation of the parking lot in 1989. This position was included because it was initially agreed that the prior operator of the parking lot, Candlestick Parking Service (CPS), would provide a Crew Supervisor, Mr. Leonoudakis, to assist the Giants in training the Giants' Manager of the parking lot. According to Mr. Shapiro, the primary responsibilities of the Crew Manager under the current operation is to hire the Cashiers and provide the car counters. The Budget Analyst notes that although the responsibilities of the Crew Supervisor have been significantly reduced since the initial 1989 year, the amount, \$55,000, has remained consistently the same. Furthermore, after more than two years, the Giants Manager should be sufficiently trained to be able to operate a parking lot without additional assistance. The Budget Analyst therefore recommends that the \$55,000 line item in the Giants 1991 budget for a Crew Supervisor be eliminated.

9. As discussed above, the proposed agreement is for the period beginning on the pre-season home game in 1991, which has already occurred. Therefore, the proposed resolution should be amended to be retroactive. According to Mr. Arnold, the Giants are currently operating under these provisions.

10. In addition, based on discussions with Mr. Kevin Hagerty of the Department of Parking and Traffic, at the City's garages that are operated by contract providers, the average fee paid to the operators is between \$10,000 and \$25,000 per year. In comparison, the proposed agreement with the Giants would pay the Giants a five percent fee, which would be approximately \$70,000 per baseball season, based on the 1989 City revenues received from the parking lot of approximately \$1.3 million. The Budget Analyst questions why the proposed parking lot agreement was not subject to competitive bid, as done by the Department of Parking and Traffic for City parking lots and why the City does not receive a percentage of gross receipts in lieu of net revenues (revenues less operating expenses) as with other City-owned parking lots operated by private contractors. Mr. Arnold reports that in negotiating the agreement, the Giants expressed no

desire to make money on this agreement, but to improve parking lot operations while receiving assurances that they could recover their operating costs.

As discussed in Comment #1 above, the Giants will receive profit in the amount of approximately 20.5% of their operating expenses under this agreement.

11. Under the proposed agreement, the budget for the parking lot is not subject to the Board of Supervisors approval. The Budget Analyst recommends that the budget for the Giants operation of the parking lot be subject to the review and approval by the Board of Supervisors. As part of this review, the Budget Analyst recommends that the \$55,000 for the Crew Supervisor be deleted.

Recommendation: We recommend that the proposed ordinance be disapproved and that the contract operations of the Candlestick Parking lot during baseball season be subject to competitive bidding procedures as with all other City-owned parking facilities.

Should the Board of Supervisors choose to retain the Giants as the parking lot operator under this agreement, we recommend that the position of Crew Supervisor be deleted from the approved Giants' operating costs (for a savings of \$55,000) and that future Giants' operating budgets require approval by the Board of Supervisors.

If approved in its present form, the resolution should include language that the agreement is retroactive to the beginning of the present 1991 baseball season.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 10 - File 127-91-4

The proposed ordinance would amend Article II of Part III of the Municipal Code related to the Stadium Operator Admission Tax. Under this proposed legislation, Section 802A would be added to Article II of Part III by imposing a surtax on the price of each admission ticket sold.

In addition to the presently imposed 50¢ Stadium Operator Admission Tax on tickets sold at Candlestick Park priced at \$13 or more, there is also a \$1.00 surcharge on all 49er tickets to cover the costs of the installation of additional seats in Candlestick Park.

Under the proposed legislation, a surtax of 25¢ would be imposed on baseball tickets sold by the Giants and a surtax of 75¢ would be imposed on tickets sold by the 49ers. With respect to the 75¢ surtax, the City Attorney has suggested that the 75¢ surtax be added to the existing \$1.00 surcharge for a total surcharge of \$1.75 which would supersede the existing \$1.00 surcharge. In order to collect these additional surcharge amounts, the proposed legislation specifies that the surcharge would be \$1.75 for tickets priced at \$27.00 or more (49er tickets) including the \$0.50 Stadium Operator Admission Tax and the surtax would be \$0.25¢ for all tickets priced at less than \$27.00 (Giants tickets) including the \$0.50 Stadium Operator Admission Tax.

The intent of the proposed legislation is to raise \$1,056,048 in order that the San Francisco Unified School District Sports Programs for the Middle Schools and High Schools can continue without interruption for the next fiscal year (July 1, 1991 through June 30, 1992). The Unified School District has reported that due to budgetary problems, it no longer can continue its Sports Programs without obtaining the additional \$1,056,048. Under this proposed surtax, it is anticipated that approximately 50% of the surtax collected would be derived from tickets sold at Giant games (\$528,000) and approximately 50% would be derived from tickets sold at 49er games.

The proposed surtax of \$0.25 on Giants tickets and \$0.75 on 49er tickets is not a special tax and would be deposited to the City's General Fund. If this legislation is approved, it is anticipated that the Mayor and the Board of Supervisors would then appropriate these funds for use by the San Francisco Unified School District to carry out its Sports Programs for its High Schools and Middle Schools.

The proposed ordinance would result in the surtax becoming operative on July 1, 1991, except that for tickets to the 49er games, the surtax would commence for games during the football season beginning in 1992. The surtax shall expire on tickets to professional football games after the 1992 season and for all other tickets the surtax shall expire on June 30, 1992. Although the City Attorney has prepared another version of the proposed surtax legislation which would continue the surtax indefinitely, the author of the proposed legislation has stated that it is his intent for this surtax to apply only for one year, with the expectation that the San

Memo to Finance Committee
May 15, 1991

Francisco Unified School District would find other funding sources to continue its Sports Programs at the conclusion of the one year period.

Comment

In order to certify the revenue for the 1991-92 fiscal year, the Controller states that all revenue from the temporary surtax would need to be received by the City prior to completion of the 1991-92 fiscal year. Typically, the 49ers do not pay the Stadium Operators Admission Taxes to the City until the January after the start of the football season. The 49ers have indicated that funds from this proposed surtax would be paid to the City upon receipt of ticket sales revenue, in approximately March, 1992. Based on this understanding, the Controller has agreed to certify the revenue.

In order to avoid any confusion on this matter, it would appear prudent to specify in the proposed ordinance, should it be approved, that surtax proceeds from the 49ers for the 1992 football season would be remitted to the City prior to July 1, 1992.

Recommendation

Approval of the proposed surtax is a policy matter for the Board of Supervisors.

If approved, the ordinance should be amended to specify that proceeds from the surtax from the 49ers for the 1992 football season would be remitted to the City prior to July 1, 1992.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
May 15, 1991

Item 11 - File 101-90-37

Note: This item was continued by the Finance Committee at its meeting of January 2, 1991.

Department: Municipal Court

Item: Supplemental Appropriation Ordinance to increase FY 1990-91 budget for travel, training, and membership dues and rescind the funds from permanent salaries. This supplemental is the subject of a previous budgetary denial.

Amount: \$36,544

Source of Funds: Excess salary savings in the Municipal Court's 1990-91 budget.

Description: In September of 1990, the Board of Supervisors approved reductions in funding for travel, training, memberships, and entertainment and promotions in all General Fund and General Fund-supported departments. Such reductions totalled \$36,544 for the Municipal Court. Additionally, the Board of Supervisors also approved specific reductions in the Municipal Court's FY 1990-91 budget for travel and training totalling \$31,270. These FY 1990-91 budget reductions are as follows:

| | <u>1990-91 Budget Request</u> | <u>Specific Reductions</u> | <u>Other Reductions</u> | <u>Total Reductions</u> | <u>1990-91 Final Budget</u> |
|-----------------------------------|---------------------------------------|--------------------------------|-----------------------------|-----------------------------|-------------------------------------|
| <u>Municipal Court Operations</u> | | | | | |
| Travel | \$35,250 | \$15,670 | \$14,019 | \$29,689 | \$5,561 |
| Training | 25,600 | 15,600 | 7,160 | 22,760 | 2,840 |
| Membership Dues | <u>6,460</u> | <u>-</u> | <u>4,625</u> | <u>4,625</u> | <u>1,835</u> |
| Subtotal | \$67,310 | \$31,270 | \$25,804 | \$57,074 | \$10,236 |
| <u>Computerization Project</u> | | | | | |
| Training | <u>15,000</u> | <u>-</u> | <u>10,740</u> | <u>10,740</u> | <u>4,260</u> |
| Total | \$82,310 | \$31,270 | \$36,544 | \$67,814 | \$14,496 |

BOARD OF SUPERVISORS
BUDGET ANALYST

The Municipal Court previously requested that the \$36,544 in Other Reductions be restored in order to provide training regarding new State requirements and travel and memberships for Judges and staff to keep abreast of changes and activities in the legal system. At the January 2, 1991, Finance Committee meeting, the Finance Committee continued the item to the call of the Chair and requested that the Municipal Court reduce its requested funding amount and prioritize the requested funding categories. The Municipal Court has now decided to request only \$5,400. Specifically, the \$5,400 for membership dues would be expended as follows:

| <u>Organization</u> | <u>Amount</u> |
|---------------------------------------|---------------|
| California Judges Association | \$3,550 |
| Association of Municipal Court Clerks | <u>1,850</u> |
| Total | \$5,400 |

Comments:

1. Section 16.6-30 of the Administrative Code, "Representation of City and County in Certain Organizations - Municipal Court," includes the Association of Municipal Court Clerks. However, Section 16.6-30 does not list the California Judges Association as being an organization authorized for membership by the Municipal Court. Mr. George Lum of the Municipal Court has advised that the Conference of California Judges, which is listed in Section 16.6-30, is the organization to which the subject request applies and that the Administrative Code requires updating to reflect the current name of the organization.
2. Mr. Gordon Park-Li of the Municipal Court has stated that membership in the requested organizations allows members of the Municipal Court to remain abreast of current judicial issues and provides other educational and operational benefits, such as a judicial "hotline" to assist on judicial problems or questions.
3. As indicated above, the proposed \$5,400 cost would come from the Municipal Court's existing FY 1990-91 budget, through excess salary savings.
4. Because the above request was the subject of a previous budgetary denial by the Board of Supervisors, approval of this proposed legislation would require a two-thirds approval or eight votes, pursuant to Charter Section 6.506.

BOARD OF SUPERVISORS
BUDGET ANALYST

5. Mr. Park-Li reports that the Municipal Court previously made a partial payment of \$1,835 for membership in the California Judges Association and that the Court has enjoyed full benefits of membership in both that organization and the Association of Municipal Court Clerks, with the understanding that payments for such benefits would be forthcoming when and if funding was authorized by the City. The total cost of the California Judges Association membership is \$5,385 (this \$3,550 request plus \$1,835 previously paid).

- Recommendation:**
1. Approval of the proposed Supplemental Appropriation Ordinance, as adjusted by the Municipal Court's written request, to restore \$5,400 for the Municipal Court's 1990-91 membership dues previously deleted by the Board of Supervisors is a policy matter for the Board of Supervisors.
 2. If this request is approved, reduce the request by \$31,144 from \$36,544 to \$5,400.
 3. Prepare in and report out a resolution changing the name of the Conference of California Judges to the California Judges Association in Section 16.6-30 of the City's Administrative Code.

Item 12 - File 7-91-5

- Department:** Public Utilities Commission (PUC),
Municipal Railway (MUNI)
- Item:** Resolution approving a revision of the fare schedule for the San Francisco Municipal Railway (fifteen dollars for seven day Passport for visitors to the City)
- Description:** Since June, 1989, MUNI has offered a one-day Passport for \$6.00 and a three-day Passport for \$10.00 for the convenience of visitors to the City. The Passport allows unlimited travel on scheduled MUNI service, including cable cars, during the one-day or three consecutive days selected by the user. The proposed resolution would establish a seven-day Passport at a cost of \$15.00 per Passport in the Municipal Railway fare schedule. According to Ms. Kathleen Kelly of the PUC, the one and three-day Passports have been successful and there have been requests from the public for a seven-day Passport.
- Comments:**
1. Ms. Kelly reports that the PUC has not developed projections on expected revenues from the proposed seven-day Passport. However, the PUC reports that from June 14, 1989, the first day the Passports were available through April 14, 1991, MUNI has sold 82,344 one-day Passports and 84,079 three-day Passports, for a total of \$1,344,854 in revenue. In FY 1989-90, MUNI sold approximately 45,033 one-day Passports and 40,306 three-day Passports, for a total of approximately \$673,258 in revenue.
 2. The PUC set the price on the seven-day Passport at \$15 to maintain its appeal. The PUC contends that the seven-day Passport would be in competition with the AC/BART Plus MUNI half-monthly ticket if the seven-day Passport were priced above \$15. The AC/BART Plus MUNI ticket allows unlimited rides on AC Transit and MUNI for half-monthly periods. This ticket has eight different prices depending on a rider's need for BART, but the lowest priced ticket is \$22. The PUC also maintains that a pass good for seven days and priced at \$15 is consistent with MUNI's current fare schedule.
 3. The \$15 price for the seven-day Passport, based on the current \$.85 adult one-way fare, would equal approximately 18 trips on the regular MUNI within a week or approximately 2.5 trips a day. The Passport can, however, be used on the cable cars. The seven-day Passport, based on the current \$2 adult one-way cable car fare, would equal 7.5 trips on the cable cars within a week or a little more than one cable car trip a day.

BOARD OF SUPERVISORS
BUDGET ANALYST

4. The seven-day Passport would be sold at various vendor locations such as the San Francisco Convention and Visitors Bureau, the Tourist Information Center, the PUC Revenue Department at the turnaround at Powell and Market, Victoria Park at Ghiradelli Square and at Stubs, the discount theater ticket vendor at Union Square.

Recommendation: Approve the proposed resolution.

Item 13 - File 28-91-6

Department: Public Utilities Commission, Water Department

Item: Resolution approving emergency expenditure for repair to Bay Division No. 4 Water Transmission Main.

Amount: \$500,000

Source of Funds: Appropriated funds for Water Main Replacement

Description: On April 23, 1991, the PUC declared that an emergency condition existed due to the discovery of three potentially serious structural deficiencies in Bay Division Pipeline No. 4, which is an 84-inch water transmission main southeast of the intersection of Edmonds Road and Hassler Road which is located in Redwood City. The water transmission main is one of the primary means of transporting water from the East Bay and Hetch Hetchy to the Peninsula and San Francisco.

In accordance with Section 6.30 of the Administrative Code, the Water Department initiated an expedited contracting procedure for the necessary construction work on the damaged pipe. The Water Department contracted with Homer Olson, a City certified LBE firm, on an emergency basis to perform the excavation and backfill, replacement of the 84-inch pipe, and the road repair. A separate contractor will perform the interior inspection. Project costs are summarized as follows:

| | |
|--|---------------|
| Excavation and Backfill | \$150,000 |
| Interior Inspection of 84-inch pipe | 25,000 |
| Replacement of 3 sections of 84-inch pipe | 225,000 |
| Road Repair | 50,000 |
| Contingency | <u>50,000</u> |
| Total Project | \$500,000 |

Comments:

1. According to Mr. Robert Vasconcellos of the Water Department, all work would be done on a contractual basis. Mr. Vasconcellos indicates that the project began on April 30, 1991, and excavation on the project is already completed. The project is scheduled to be completed by September 1, 1991.
2. The \$225,000 budgeted for the replacement of three sections of the 84-inch pipe includes the cost of materials and the replacement of the pipe.

BOARD OF SUPERVISORS
BUDGET ANALYST

3. Mr. Vasconcellos also reports that after the pipe was exposed, broken wires in the interior of the pipe were discovered, and therefore a further interior inspection of the pipe will be performed by a metallurgical specialist. Mr. Vasconcellos reports that the Water Department anticipates contracting with Villalobos and Associates for the interior inspection work. Mr. Arnold Baker of the PUC Contract Compliance Office reports that Villalobos and Associates is certified at the PUC as a MBE, but the firm is located in Oakland, so they are not certified as a LBE or MBE with the Human Rights Commission.

Recommendation: Approve the proposed resolution.

Item 14 - File 64-91-8

Department: Real Estate
Public Utilities Commission (PUC)

Item: Resolution authorizing extension of two existing leases of real property for the Public Utilities Commission.

Location (1): Station E - 19th Street and Lexington Street

Purpose of Lease: DC conversion facility for Hetch Hetchy Water and Transit Power Division

Lessor: Pacific Gas and Electric Company

No. of Square Feet: 2,170 square feet

Cost per Month: Approximately \$.48 per square foot = \$1,050 per month

Annual Cost: \$12,600

**% Increase
Over 1990-91:** Approximately 5.4 percent

**Utilities and Janitor
Services Provided by
Lessor:** Maintenance and Water to be provided by Pacific Gas and Electric.

Term of Lease: July 1, 1991 through June 30, 1992

Right of Renewal: Right to renew annually. Thirty-nine one-year option periods remain.

Source of Funds: Hetch Hetchy's appropriated revenues for Property Rental.

Location (2): Station J - 222 Leidesdorff Street

Purpose of Lease: DC conversion facility for Hetch Hetchy Water and Transit Power Division

Lessor: Pacific Gas and Electric Company

No. of Square Feet: 1,750 square feet

Cost per Month: Approximately \$.51 per square foot = \$901 per month

Annual Cost: \$10,812

BOARD OF SUPERVISORS
BUDGET ANALYST

**% Increase
Over 1990-91:** Approximately 5.4 percent

**Utilities and Janitor
Services Provided by**

Lessor: Maintenance and Water to be provided by Pacific Gas and Electric.

Term of Lease: July 1, 1991 through June 30, 1992

Right of Renewal: Right to renew annually. Thirty-eight one-year options remain.

Source of Funds: Hetch Hetchy's appropriated revenues for Property Rental.

Comments: 1. The proposed resolution identifies the first property being located at "19th Street and Lexington Avenue," but the proposed resolution should be amended to identify the first property as being located at Lexington "Street."

2. Mr. Lloyd Gardner of the Real Estate Department reports that both of the proposed leases contain a clause which increases the annual rent based on the Consumer Price Index. Mr. Gardner reports that the proposed annual rent represents a fair market value for the properties.

3. Mr. Harold Conklin of the Hetch Hetchy Transit Power Division reports that \$23,989 is being requested for the two proposed leases in the Department's FY 1991-92 budget, but the proposed annual rent is only \$23,412. Mr. Conklin reports that \$23,989 is being requested because the Department anticipated an eight percent increase over the \$22,212 annual rent for FY 1990-91, based upon previous annual increases. The availability of funds is subject to the funds being approved in the FY 1991-92 Annual Appropriation Ordinance.

4. Mr. Gardner reports that the proposed lease is a long-term lease for 49 years, with annual one-year option periods. The lease for Station E at 19th and Lexington Street was executed in 1982, and therefore there are thirty-nine options remaining. The lease for Station J at 222 Leidesdorff Street was executed in 1981, and therefore there are thirty-eight options remaining.

Recommendation: Amend the proposed resolution to authorize an extension of a lease at 19th Street and Lexington "Street". Approve the proposed resolution as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

Items 15, 16, 17 and 18 - Files 142-91-1, 142-91-1.1, 142-91-2 and 142-91-2.1

- Department:** Public Utilities Commission, Water Department
- Items:** The four proposed resolutions all relate to the Public Utilities Commission's (PUC) proposed revised schedule of rates for water supplied to City and suburban retail customers (Items 15 and 16; files 142-91-1 and 142-91-1.1); and for water supplied to suburban resale customers (Items 17 and 18; Files 142-91-2 and 142-91-2.1).
- Description:** The proposed legislation provides for a 14% increase in the base rate for City and suburban retail customers and a 39.7% increase for suburban resale customers. The Water Department also proposes to adopt a water purchase surcharge of \$0.18 per billing unit (one unit equals 748 gallons) to pay for the cost of purchasing water. For 1991-92, because of the drought, the PUC plans to purchase water from the State and the Placer County Water Agency. This charge is only applied to consumption and would be charged to those customers who must use the purchased water. Since the Water Department has decided to purchase additional water from the State and the Placer County Water Agency, the proposed combined increase, including the surcharge, would be an average monthly charge of \$0.33 per billing unit for an average single family residence, or a total increase of 30.96 percent per billing unit consumed. Attachment 1 shows increases for typical San Francisco customers. Rate increase for the customers displayed in Attachment 1 range from 30.96 percent to 40.21 percent.
- There are two resolutions for each proposed rate schedule described above (i.e., two resolutions for water supplied to City and suburban retail customers, and two resolutions for water supplied to suburban resale customers). The first resolution in each case, if approved, would find that adoption of the proposed rate schedule would not result in the need for a tax subsidy for the San Francisco Water Department. The second resolution in each case would disapprove the revised schedule of rates.

With respect to each proposed rate schedule, approval of the first resolutions would make a necessary finding that no tax subsidy would be required to fund the operations, capital and reserve requirements of the San Francisco Water Department, and disapproval of the second resolution would adopt the proposed schedule of rates. If the Board of Supervisors decides to disapprove the requested rate increases and thereby approve the second resolution, a two-thirds vote of the Board would be necessary. The Board of Supervisors cannot alter the proposed rate schedules but can only approve or disapprove rates. Approval of any resolution which disapproves a rate schedule would return the rate matter to the Public Utilities Commission for further consideration.

Comments:

1. For the 1989-90 fiscal year, the PUC adopted rates that preserved a 15 percent increase adopted in 1988 but without mandatory rationing and rates charged for water use in excess of allotments. A small ending fund balance of under \$1.0 million for the 1989-90 fiscal year was projected. However, by the end of FY 1989-90, the Department had depleted the fund balance. As shown in Attachment 2 to this report (Water Department Fund Balance Projections 1990-91 and 1991-92), because the Department ended the 1989-90 fiscal year with no unappropriated fund balance, the Department began the 1990-91 fiscal year with no beginning fund balance.
2. The PUC considered the alternatives of remaining on a "cash basis" for Water Department funding needs or issuing revenue bonds to satisfy short term capital needs of the Water Department. Estimates of rate increase requirements to remain on a cash basis would have resulted in projected base rate increases of 53 percent in 1990-91 and 26.9 percent in 1991-92 for City and suburban retail customers. The PUC policy decision to sustain lower rate increases each year through 1995-96 (base rate increases of 14 percent for City and suburban retail customers) through the use of bond funding, resulted in the avoidance of sudden large water rate increases.
3. The Board of Supervisors, in April of 1991, authorized the Water Department to proceed with the sale of \$76 million in revenue bonds to fund short term capital needs. The impending sale of the revenue bonds represents a "non-cash alternative" for financing Water Department capital improvement projects, and would reduce the Department's need to significantly increase water rates to customers in order to fund those capital improvements.

4. In 1990-91, the Water Department originally anticipated an ending unappropriated balance of \$4 million, which would be carried forward into the ending 1991-92 fiscal year. Assuming an unappropriated balance of \$4 million as of June 30, 1991, the Water Department originally estimated a June, 30, 1992 year-end unappropriated balance of slightly less than \$1 million.

5. Salary Standardization costs for 1991-92 account for approximately \$1,969,000 of the total projected expenditures for FY 1991-92. Of the \$1,969,000 total, the costs allocated to the City customers is \$787,600. If 1991-92 wage increases do not go into effect, the Water Fund projection will benefit by this amount. This could be used to either reduce the base percentage increase in rates from 14 percent to 13.25 percent or could remain in the Unappropriated Fund Balance.

6. In 1984, the Public Utilities Commission and its Suburban Resale Customers approved a settlement agreement which resolved long pending litigation between the Water Department and 30 water agencies that purchase water on a wholesale basis from the City's Water Department for resale to their retail customers. Under the agreement, cost accounting and rate setting is divided and based on the distinct costs of providing water services to City retail customers as opposed to "Suburban Resale" customers who purchase water on a wholesale basis. The City sets the wholesale water rates to recover all costs associated with providing water to the Suburban Customers, plus a rate of return on all debt funded assets and future revenue funded assets. Consequently, as a result of (a) the PUC-adopted rationing program, (b) lowered projected consumption and (c) the need to purchase water from sources other than Hetch Hetchy at an additional cost of over \$8.6 million for suburban resale customers, the PUC has proposed the separate rate increase of 39.7 percent for 1991-92 for suburban resale customers.

7. The corresponding base rate increase for the City and suburban retail customers is 14 percent, as noted above. With the water purchase surcharge, the full increase is approximately 30.96 percent per billing unit consumed.

8. Under the City's Mandatory Water Rationing Program, the PUC has established water use allotments for all City and suburban retail customers. Such excess use charges are as follows:

| <u>Excess Water Consumption</u> | <u>For Water Used in Excess of Allotment, the Excess Use Charge Will be</u> |
|-------------------------------------|---|
| up to 10% over allotment | 2 times unit rate |
| 10 - 20% over allotment | 8 times unit rate |
| 20.01% or more over allotment | 10 times unit rate |

Also, in the event water is used in excess of the specified allotment, the Water Department may, after one warning, install a flow restricting device on the customer service line. The charge to install and remove the device shall be as follows:

| <u>Meter Size</u> | <u>Installation/Removal Cost</u> |
|-------------------|----------------------------------|
| 5/8 " to 1" | \$ 95.00 |
| 1-1/2" to 2" | 149.00 |
| 3" and larger | Actual Cost |

Also, the Water Department may discontinue water service altogether in the event continued water consumption in excess of allotment occurs. A charge of \$30.00 must be paid by the customer prior to reactivation of service.

9. The Budget Analyst reviewed the rate increases and the projected revenues and expenditures for FY 1990-91 and FY 1991-92 as proposed by the Water Department. Based on our review, the proposed rates would result in a projected year-end balance of slightly less than \$3.0 million for FY 1991-92 instead of \$1.0 million originally projected by the Water Department. The Water Department found that it had overstated its projections of expenditures for FY 1990-91 by this approximately \$2 million difference, which resulted in an understatement of the estimated unappropriated balance by \$2 million. Therefore, the actual estimates of the unappropriated balance as of June 30, 1991 and June 30, 1992 are approximately \$6 million and slightly less than \$3 million, respectively. Based on the recent drought conditions, the Budget Analyst believes that keeping this increased balance (together with any unused funds for Salary Standardization if the 1991-92 Salary Standardization increases are not approved) in the Unappropriated Water Department Revenues (together with any unused funds for Salary Standardization if the 1991-92 Salary Standardization increases are not approved) would be more desirable than using such funds to lower water rates. If the \$2 million difference were used to lower water rates, it would reduce the

average single family residence charges by approximately \$.04 monthly.

We have also reviewed the water consumption assumptions which, along with the recommended rates, determine the projected revenue to the Water Fund. The projections conservatively assume substantial reductions in current consumption due to reaction to the drought and the more restrictive rationing program first imposed as of April 1, 1991 (an overall 45% reduction from 1987 levels would have been required under the previous rationing program). The projections further assume that consumption will increase from current levels during 1991-92. Should these assumptions prove to be inaccurate because consumers behave differently, which could be a function of whether or not the drought continues, the projections could vary from those now estimated.

Recommendation: Approve the resolutions (Files 142-91-1 and 142-91-2) finding that no tax subsidy will be required as a result of the proposed revised schedule of water rates. Disapprove the proposed resolutions (Files 142-91-1.1, and 142-90-2.1) for the PUC revised schedules of water rates. Such disapproval would result in the approval of the rate increases as requested by the PUC.

MONTHLY COMPARISON OF CURRENT WATER RATES
VS.
14% WATER RATE INCREASE; TYPICAL SAN FRANCISCO CUSTOMERS

| <u>Type</u> | <u>Estimated Units of Consumption</u> | <u>Charge at Current Charge</u> | <u>14% Increase Plus Surcharge</u> | <u>Cost Increase</u> | <u>% Increase Per Unit Consumed</u> |
|-----------------------|---|---|--|--------------------------|---|
| Average Single-Family | 6 | \$ 5.91 | \$ 7.74 | \$ 1.83 | 30.96% |
| Large Single-Family | 13 | 11.70 | 15.62 | 3.92 | 33.50% |
| 12 Unit Apartment | 43 | 36.28 | 49.02 | 12.74 | 35.12% |
| Large Apartment | 452 | 357.39 | 487.78 | 130.39 | 36.48% |
| Apartment Complex | 3,270 | 2,297.63 | 3,199.60 | 901.70 | 39.26% |
| Apartment Complex | 10,624 | 7,189.96 | 10,080.96 | 2,891.00 | 40.21% |
| Residential Hotel | 760 | 535.94 | 745.90 | 209.96 | 39.18% |
| Restaurant | 556 | 385.76 | 538.34 | 152.58 | 39.55% |
| Large Office Building | 845 | 620.31 | 857.20 | 236.89 | 39.19% |
| Department Store | 1,891 | 1,320.08 | 1,840.44 | 520.36 | 39.42% |
| Hotel | 6,717 | 4,603.67 | 6,4398.78 | 1,836.11 | 39.88% |
| Hospital | 3,330 | 2,337.77 | 3,256.00 | 918.23 | 39.28% |

**WATER DEPARTMENT FUND BALANCE PROJECTIONS
FOR 1990-91**

1990-91

| | <u>City</u> | <u>Suburban Resale</u> | <u>Department Total</u> |
|--|-------------------|----------------------------|-----------------------------|
| <u>Beginning surplus</u> | \$0 | | \$0 |
| Beginning balance-suburban resale balancing account | 3,497,547 | \$(3,497,547) | 0 |
| <u>Revenue</u> | | | |
| Sale of Water | 30,657,653 | 39,500,322 | 70,157,975 |
| Excess Use Charges | 6,600,000 | 1,702,401 | 8,302,401 |
| Rents | 2,986,000 | | 2,986,000 |
| Interest | 4,000,000 | | 4,000,000 |
| Service Charges | 1,875,000 | | 1,875,000 |
| 1991 Bond Proceeds | 8,000,000 | | 8,000,000 |
| Miscellaneous | 1,100,000 | | 1,100,000 |
| TOTAL REVENUE | 55,218,653 | 41,202,723 | 96,421,376 |
| TOTAL SOURCES | <u>58,716,200</u> | <u>37,705,176</u> | <u>96,421,376</u> |
| <u>Budgeted Expenditures</u> | | | |
| Operating | 37,689,717 | 14,847,283 | 52,537,000 |
| Purchase of Water (Hetchy) | 5,889,435 | 3,692,565 | 9,582,000 |
| Purch. of addl. water | 3,690,169 | 5,872,331 | 9,562,500 |
| G.O. Debt Service | 2,292,000 | | 2,292,000 |
| Capital Projects | 2,025,500 | | 10,963,000 |
| Water Purchase Contract | 14,402,500 | | 14,402,500 |
| Transfer to General Fund | | | |
| Total-Budgeted.Exp. | 65,989,321 | 24,412,179 | 84,836,500 |
| <u>Non-Budgeted Expenditures</u> | | | |
| Suburban Depreciation Cost | (4,199,071) | 4,199,071 | |
| Suburban-Return on Investment cost | (12,480,439) | 12,480,439 | |
| Interest- Sub. bal. acct. | (279,804) | 279,804 | |
| Total-Non Budgeted Exp. | (16,790,544) | 16,790,544 | |
| TOTAL EXPENDITURES | <u>49,198,777</u> | <u>41,202,723</u> | <u>90,401,500</u> |
| Ending balance-suburban resale balancing account | (3,666,317) | 3,666,317 | 0 |
| Rate Stabilization Fund | 0 | 0 | 0 |
| Estimated year end savings and closeouts | 0 | 0 | 0 |
| UNAPPROPRIATED BALANCE | \$6,019,876 | | \$6,019,876 |

**WATER DEPARTMENT FUND BALANCE PROJECTIONS
FOR 1991-92**

1991-92

| | <u>City</u> | <u>Suburban Resale</u> | <u>Department Total</u> |
|--|-------------------|----------------------------|-----------------------------|
| <u>Beginning surplus</u> | \$6,019,876 | | \$6,019,876 |
| Beginning balance-suburban resale balancing account | 3,666,317 | \$(3,666,317) | 0 |
| <u>Revenue</u> | | | |
| Sale of Water | 39,371,835 | 55,168,771 | 94,540,606 |
| Water Purchase Surcharge | 6,553,179 | | 6,553,179 |
| Excess Use Charges | 6,000,000 | | 6,000,000 |
| Rents | 2,000,000 | | 2,000,000 |
| Interest | 4,000,000 | | 4,000,000 |
| Service Charges | 1,875,000 | | 1,875,000 |
| 1991 Bonds | | | |
| Miscellaneous | <u>1,100,000</u> | | |
| <u>TOTAL REVENUE</u> | <u>60,900,014</u> | <u>55,168,771</u> | <u>116,068,785</u> |
| <u>TOTAL SOURCES</u> | 70,586,207 | 51,502,454 | 122,088,661 |
| <u>Budgeted Expenditures</u> | | | |
| Operating | 37,435,929 | 19,442,042 | 56,877,971 |
| Purchase of Water (Hetchy) | 10,588,881 | 3,953,119 | 14,542,000 |
| Purch. of Water- other sources | | 8,641,500 | 8,641,500 |
| Bonded Debt Service | 10,541,000 | | 10,541,000 |
| Capital & Fac. Maint Projects | <u>28,515,500</u> | | <u>28,515,500</u> |
| Water Purchase Contract | | | |
| Total-Budgeted.Exp. | 87,081,310 | 32,036,661 | 119,117,971 |
| <u>Non-Budgeted Expenditures</u> | | | |
| Suburban Depreciation Cost | (4,699,822) | 4,699,822 | 0 |
| Suburban-return on investment | (14,472,666) | 14,472,666 | 0 |
| Interest- Suburban account | <u>(293,305)</u> | <u>293,305</u> | 0 |
| Total-Non Budgeted Exp. | (19,465,793) | 19,465,793 | 0 |
| <u>TOTAL EXPENDITURES</u> | <u>67,615,517</u> | <u>51,502,454</u> | <u>119,117,971</u> |
| Ending balance-suburban resale balancing account | | | |
| UNAPPROPRIATED BALANCE | \$ 2,970,690 | | \$ 2,970,690 |

Item 19 - File 146-91-37

Department: Department of Public Health (DPH),
AIDS Office

Item: Resolution authorizing the DPH, AIDS Office, to apply for a Federal Grant through the State under the Ryan White Comprehensive AIDS Resources Emergency (CARE) Disaster Relief Program, Title II

Grant Amount: Not to exceed \$682,909

Source of Grant: California Department of Health Services,
Office of AIDS

Grant Period: June 1, 1991 through May 30, 1992

Project: CARE Disaster Relief Program, Title II

Description: The Ryan White Comprehensive AIDS Resources Emergency (CARE) Act of 1990, Title II, HIV CARE Consortium¹ Grants, provides funding to States' AIDS Offices. States, in turn, allocate funds to HIV CARE local jurisdictions based on program proposals. The proposed \$682,909 grant would provide funds for the planning, development, and delivery of comprehensive outpatient health and support services to individuals with HIV disease. Such services may include case management, benefits counseling, and other health, psychosocial, and support needs that would otherwise be unmet.

All State HIV CARE Consortia meeting the requirements as specified in the State's application are required to submit a two-part application in order to obtain funds under Title II of the Program. Phase I, due no-later-than May 29, 1991, requires such information as the organizational structure of the consortium, the geographic area to be served, community inventory of pre-existing HIV-related services, identification of populations to be served, and an interim budget. Phase II of the grant application is due to the State by September 30, 1991, and requires such information as a statement of the services to be provided, and assessment of unmet needs,

¹An HIV CARE consortium is an association of one or more public, and one or more nonprofit private, health care, and support service providers and community-based organizations operating within areas which agree to use assistance under Title II for the planning, development, and delivery, through the direct provision of services or by entering into agreements with other entities for the provision of such services. These services include comprehensive outpatient health and support services for individuals with HIV disease.

BOARD OF SUPERVISORS
BUDGET ANALYST

comprehensive and implementation plans, and a final budget.

Project Budget: To be provided by the HIV Planning Council at a future date (see Comment No. 2 below).

Required Match: None

Indirect Costs: 20 percent of personnel costs, exclusive of fringe benefits.

No. of People Served: Approximately 9,445 AIDS cases plus an estimated 25,000 ARC-HIV infected persons as well as the City's general population.

Comments: 1. Attached is the "Health Commission's "Summary of Grant Request" as prepared by the DPH for the proposed grant.

2. As of the writing of this report, the DPH's AIDS Office was unable to provide a budget for the proposed grant. Mr. Tim Piland of the DPH reports that the budget details will be made available when DPH submits its request to the Board of Supervisors to accept and expend these grant funds.

3. Restrictions on the use of Title II funds are as follows:

a. No more than 10 percent of funds may be used for all non-direct service functions, such as administration, oversight, planning, evaluation, accounting, and reporting.

b. No funds may be used to purchase or improve any building or other facility other than for minor remodeling.

c. No funds may be used to make cash payments to intended recipients of services.

d. Funds are not intended for the establishment of new programs. Funds should not comprise more than 60 percent of any subcontracting applicant organization's total budget.

Recommendation: Approve the proposed legislation.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item No. _____ J. Health Commission - Summary of Grant Request

Grantor DHS
 Contact Person CARE Act Unit/Office of AIDS
 Address PO. Box 942732
Sacramento, CA 94234-7320
 Amount Requested \$ 682,909
 Term: From 6/1/91 To 5/30/92
 Health Commission _____ Board of Supervisors: Finance Committee _____
 Full Board _____

Division - CO Administration
 Section AIDS Office
 Contact Person Maria Lemus
 Telephone 554-9019
 Application Deadline May 29, 1991
 Notification Expected _____

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation) to a grant in the amount of \$ 682,909 from the period of 6/1/91 to 5/30/92 to provide CARE Title II services.

II. Summary: (Concise history; need addressed; needer's groups served; services and providers)

The Comprehensive AIDS Resources Emergency (C.A.R.E.) Title II grant will award funds to local consortia for the planning, development and delivery of comprehensive outpatient health and support services to individuals with HIV disease. Such services can include case management, benefits counseling and other health, psychosocial, and support needs which would otherwise be unmet.

III. Outcomes/Objectives:

The CARE Title II funds will allow San Francisco to supplement existing programs which are underfunded, to enable the continuation of essential services, and to enhance the continuum of care for underserved populations.

IV. Effects of Reduction or Termination of These Funds:

Reduction or termination of these funds would inhibit the well being of persons with AIDS, ARC and HIV infection in San Francisco, especially for those uninsured and underinsured persons who are frequently unable to access care.

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Year/Orig. | Col. C Proposed | Col. D Change | Req. Match | Approved by |
|------------------|-------------------------|---------------------------|----------------------|------------------|------------|-------------|
| Grant Amount | | | 682,909 | | | |
| Personnel | | | | | | |
| Equipment | | | | | | |
| Contract Svc. | | | unknown at this time | | | |
| Mat. & Supp. | | | | | | |
| Facilities/Space | | | | | | |
| Other | | | | | | |
| Indirect Costs | | | | | | |

VI. Data Processing

(costs included above)

unknown at this time

VII. Personnel

| | | | | | |
|-------------|--|--|----------------------|--|--|
| F/T CSC | | | unknown at this time | | |
| P/T CSC | | | | | |
| Contractual | | | | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Will grant funded employees be retained after this grant terminates? If so, How?

*VIII. Contractual Services: Open Bid _____ Sole Source _____ (If sole source, attach Request for Exemption Form)

Item 20 - File 156-91-2

Agency: Private Industry Council of San Francisco, Inc. (PIC)

Item: Resolution approving an expenditure plan for Refugee Employment Social Services and Refugee Targeted Assistance Funds to be administered by the PIC.

The PIC has submitted an amendment of the whole, which specifies the amount of \$310,605 requested for approval and authorizes the PIC to sign, enter into, and execute the State contract for the funds.

Grant Amount: \$310,605

Local Match: None

Grant Term: January 1, 1991 through September 30, 1993

Source of Funds: Federal Refugee Employment Social Services funds disbursed by the State Department of Social Services (State DSS).

Description: The Private Industry Council, a non-profit organization, administers two sets of refugee funds on behalf of the City. These funds originate from the Federal Office of Refugee Resettlement and are allocated to the City through the State Department of Social Services. The Refugee Employment Social Services funds (RESS) and Refugee Targeted Assistance Program (RTAP) Title VII funds are used to provide employment and training services to refugees who are receiving public assistance.

In March of 1991, the Board of Supervisors approved a resolution approving a revised Refugee County Plan for San Francisco. Based on that County Plan, the PIC issued a request for proposals for organizations interested in providing employment training and placement as well as supportive services to San Francisco refugees receiving cash assistance. The PIC specifically requested proposals for a Central Intake Point (CIP) service to provide assessment, certification, referral and tracking of refugee participants and a proposal for provision of childcare services. The proposed resolution would approve an expenditure plan, totalling \$940,730, which includes the proposed contractors selected through the RFP process.

In previous years, the PIC has administered the RESS and RTAP funds separately. For the 1991 Federal Fiscal Year, the State DSS is allowing the PIC to administer the RESS and RTAP funds as a combined grant program. The proposed

BOARD OF SUPERVISORS
BUDGET ANALYST

expenditure plan provides for expenditure of \$940,730 in RESS and RTAP funds, of which the proposed resolution would also approve the acceptance and expenditure of a first allocation consisting of RESS funds in the amount of \$310,605. The State DSS will allocate the remaining \$630,125 of RESS and RTAP funds at a later date.

The PIC has furnished the following plan for expenditure of the RESS and RTAP funds:

| | <u>Contract Function</u> | <u>First Allocation (This Resolution)</u> | <u>Total Budget</u> |
|---|---|---|-------------------------|
| <u>Sources:</u> | | | |
| 1991 RESS funds | | \$310,605 | \$532,000 |
| Estimated 1991 RTAP funds | | | 388,554 |
| Reallocation of 1988 RTAP funds | | _____ | <u>20,176</u> |
| Total Refugee funding | | \$310,605 | \$940,730 |
| <u>Proposed expenditures:</u> | | | |
| PIC Administration | | \$40,379 | \$141,110 |
| Contractual Services: | | | |
| International Rescue Committee | Case Management and CIP | 45,175 | 128,661 |
| Third Baptist Church | Extreme & Unusual Needs (EUN)* | 8,115 | 23,113 |
| Mutual Assistance Coordination Council | Vocational English as Second Language, and Employment Services (VESL, ES) | 17,556 | 50,000 |
| Jewish Vocational Services | ES, Vocational Training (VT) | 61,094 | 174,000 |
| Center for Southeast Asian Refugee Resettlement | EUN | 0 | 30,000 |
| Refugee Employment Assistance Program | EUN, ES, VT, VESL | 72,629 | 206,853 |
| Children's Council of San Francisco | Childcare services | 14,045 | 40,000 |
| Transportation and Ancillary services† | | 5,967 | 16,993 |
| Conciliation Services to be provided by San Francisco DSS | | 10,533 | 30,000 |
| On-the-Job-Training Set-aside | | <u>35,112</u> | <u>100,000</u> |
| Total | | \$310,605 | \$940,730 |

*Extreme and Unusual Needs may be provided for special identified populations like at-risk youth or other refugees not on cash-assistance.

†Ancillary services includes books, clothings, tools or fees needed for a training assignment.

The State DSS allows the PIC to budget up to 15 percent of the total grant for administrative purposes. PIC has allocated a total of \$141,110 (\$40,379 in the first allocation) to administer the grant funds from the total budget of \$940,730. Mr. Greg Marutani, Administrative Services Manager for the PIC advises that the administrative funds would be allocated as follows:

| | |
|---|--------------|
| Staff salaries and fringe benefits | \$105,832 |
| PIC administrative overhead (19% of total) | 26,811 |
| Direct charges consisting of printing and reproduction, computer costs, travel, materials and supplies, and audit costs | <u>8,467</u> |
| Total Administrative costs | \$141,110 |

The proposed expenditure plan includes \$16,993 for transportation and ancillary services (\$5,967 in the first allocation). These funds would be used by the contractor responsible for CIP and case management to provide transportation assistance (MUNI fast passes or transit tokens) to employment programs and other ancillary services, as needed by refugee clients.

According to Mr. Marutani, San Francisco Department of Social Services (DSS) would be allocated \$30,000 (\$10,533 in the first allocation) for cause determination/ conciliation hearings services. Presently, all DSS refugee assistance clients must enter these refugee employment and training programs provided by the PIC. If a client does not attend the program, the service contractors report to DSS the client's non-attendance. DSS conducts cause determination/ conciliation hearings to determine why a client has not participated in an employment and training program.

The PIC has also budgeted \$100,000 (\$35,112 in the first allocation) as a set-aside for On-the-Job-Training (OJT). These OJT funds are used to reimburse employers for extraordinary costs required to train program clients. Employers, who agree to employ clients placed by the various service contractors, must submit invoices detailing the training costs to the PIC.

Comment:

1. The PIC has submitted a Summary of Grant Request for the first allocation of RESS funds (See attachment).

2. As noted above, the State DSS allows the PIC to recover the administrative costs of overseeing these grant funds. According to Ms. Eunice Elton, President of the PIC, the grant term began on January 1, 1991, and will end on September 30, 1993. The PIC does not intend to begin contractual services until June 1, 1991. However, the PIC has already provided administrative services on the 1991 grant allocation from January 1, 1991. Therefore, the proposed resolution should be amended to allow PIC to retroactively expend the grant funds from January 1, 1991.

3. The State DSS requires the Board of Supervisors to approve, by resolution, the acceptance and expenditure of the allocations of RESS and RTAP funds totalling \$940,730. As previously noted, the proposed resolution would approve the acceptance and expenditure of the first allocation of \$310,605. The State will allocate the remaining \$630,125 in separate allocations at later dates. As the State allocates these funds, the PIC will submit corresponding resolutions for Board of Supervisors approval.

Recommendations: Approve the proposed amendment of the whole.

Amend the proposed resolution to allow the PIC to retroactively expend the grant funds as of January 1, 1991.

Approve the proposed resolution as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

SUMMARY OF GRANT REQUEST

File No.: 156-91-2 (RESS)

Grantor: Refugee Immigration Program Branch/DSS Agency: Private Industry Council of San Francisco, Inc.
 Contact Person: Mike White Section: N/A
 Address: 744 'P' Street Contact Person: Greg Marutani/Guillermo Casillas
 Sacramento, CA 95814 Telephone: 621-6853
 Amount Requested: \$310,605 Application Deadline: N/A
 Term: From: January 1, 1991 to: September 30, 1993 Notification Expected: N/A
 Board of Supervisors: Finance Committee -
 Full Board -

- I. Item Description: Request to accept and expend a new allocation grant in the amount of \$310,605 from the period of January 1, 1991 to September 30, 1993 to provide employment and training services.
- II. Summary:
To provide employment and training services to refugees receiving public assistance.
- III. Outcomes/Objectives:
Training of refugees that leads to employment.
- IV. Effects of Reduction or Termination of These Funds:
Reduce services for refugees and increase the financial burden for the City and County of San Francisco.

| V. Financial Information: | Column A Initial | Column B Proposed | Column C Total Grant |
|---------------------------|---------------------|----------------------|-------------------------|
| Subcontract Services: | N/A | \$270,226 | \$270,226 |
| PIC Administration: | <u>N/A</u> | <u>\$40,379</u> | <u>\$40,379</u> |
| Total: | N/A | \$310,605 | \$310,605 |

VI. Data Processing: N/A

VII. Personnel: N/A
 FT/CSC N/A
 PT/CSC N/A

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
 N/A

Will grant funded employees be retained after this grant terminates? If so, how?
 N/A

VIII. Contractual Services: Open Bid XX Sole Source _____

May 10, 1991

Item 21 - File 170-91-2

Department: San Francisco Redevelopment Agency (SFRA)

Item: Resolution approving the issuance by the Redevelopment Agency of Multifamily Housing Refunding Mortgage Revenue bonds for the purposes of its Residential Construction Financing Program for the Rincon Point/South Beach Redevelopment Project Area.

Amount: Not to exceed \$46,655,000

Source of Funds: Mortgage Revenue Bonds

Description: In December of 1985, the Board of Supervisors adopted Resolution No. 1062-85, which approved the issuance of \$46,655,000 in weekly adjustable/Fixed Rate Multifamily Housing Mortgage Revenue Bonds for use in financing the South Beach Marina Project, located on Townsend Street, between Colin P. Kelly, Jr. and First Streets.

According to Mr. Bob Gamble of the SFRA, the Redevelopment Agency entered into an agreement with the owner, South Beach Marina Associates, to develop affordable housing and commercial space at the Townsend Street site. In return, the Redevelopment Agency issued Mortgage Revenue Bonds to finance the project's construction. The Federal Department of Housing and Urban Development (HUD) provided Government National Mortgage Association (GNMA) funding to pay for the bonds as well as Federal Housing Administration (FHA) insurance to back the bonds for the project.

Mr. Gamble has advised that because of the 8-story design and steel frame construction of the project, the cost per unit of housing is higher than other building designs using wood frames. Such steel frame designs require higher rental rates for each housing unit. South Beach Marina Associates has had difficulty renting the higher priced housing units, which has resulted in lower than anticipated revenues. This apparent lack of rental revenues has caused South Beach Marina Associates to fall behind by approximately one year on the mortgage payments on the development. Approximately \$5 million in payments is presently owed to the HUD.

South Beach Marina Associates has lowered its rental prices, and project occupancy has been increasing and is now nearly full. According to Mr. Gamble, South Beach Marina Associates expects the project to be fully occupied by July, 1991. Once fully occupied, Mr. Gamble states that the rental revenues from the project would be sufficient to pay off the newly issued bonds, including the interest, but would not be sufficient to cover the \$5 million presently owed to the HUD.

The SFRA proposes to refinance the existing Mortgage Revenue Bond issue of \$46,655,000 to reduce the current interest costs on the bonds and to allow the owner to negotiate with HUD to develop a plan to pay the \$5 million currently in arrears on the project.

Comments:

1. Mr. Gamble advises that the current agreement with the owner/developer provides that 20 percent of the project housing must be allocated as affordable housing. However, because the financing is insured by HUD, if South Beach Marina Associates defaults on the financing provided by HUD and SFRA, HUD could assume ownership of the property as early as June 1, 1991. In the event it assumes ownership, HUD would not be obligated to provide affordable housing under the agreement, because the agreement only applies to South Beach Marina Associates. Therefore, the proposed sale of the Mortgage Revenue Bonds is necessary to afford the owner the ability to negotiate a payment plan for the \$5 million debt with HUD, without having to sell the project to HUD, and preserve the affordable housing allocation for the development.

2. According to Mr. Gamble, the Refunding Mortgage Revenue Bonds would be financed using a nominal floating interest rate. The SFRA expects to sell the Refunding Mortgage Revenue Bonds at a long-term average interest rate of 5.95 percent. For reference purposes, the current interest rate for these types of bonds is 4.0 percent, which is considered low. The interest rate on the present \$46,655,000 in Mortgage Revenue Bonds outstanding is 7.1 percent, with annual payments of approximately \$4,045,000. Mr. Gamble estimates that sale of the Refunding Mortgage Revenue Bonds would allow the project owner to make annual payments of approximately \$3,648,000, and save approximately \$397,000 per year in interest costs over the 24-year term of the bonds.

3. Section 147(f) of the Federal Internal Revenue Code requires that a public hearing be held in conjunction with the approval of these refunding bonds, and that 14 days public notice be given prior to the hearing. The SFRA has advised that sufficient notice of the Finance Committee meeting of May 15, 1991 has been provided and the Finance Committee meeting would serve as the public hearing.

4. It should be noted that neither the faith and credit of the City, nor its taxing authority, is obligated to pay back the proposed bonds.

Recommendation: Approve the proposed resolution.

Item 22 - File 101-89-34.5

Note: This item was continued at the Finance Committee meeting of May 8, 1991.

Department: Public Library

Item: Release of Reserve for the Bureau of Architecture Project Management Services.

Amount: \$175,000

Source of Funds: 1988 Library Improvement Bond

Description: In October of 1989, the Board of Supervisors approved a supplemental appropriation ordinance (File 101-89-34) to appropriate \$11,366,423 in 1988 Library Improvement Bond funds to begin design and construction of the new Main Library and for Branch Library renovations. Of that amount, \$3,940,277 was reserved pending submission to the Finance Committee of detailed information on the types of services which would be provided by the DPW's Bureau of Architecture, and cost estimates and expenditures for the new Main Library construction and Branch Libraries renovations. The Finance Committee subsequently released reserves totalling \$1,956,190 leaving a balance on reserve of \$1,984,087.

The proposed release of the reserved funds of \$175,000 from the \$1,984,087 still on reserve would provide funding for the DPW's Bureau of Architecture project management services related to developing construction documents for the new Main Library. The proposed release of reserve would provide funding for the following:

| <u>Positions</u> | <u>Hours</u> | <u>Hourly Rate</u> | <u>Total</u> |
|--|--------------|------------------------|---------------|
| Fiscal Year 1990-91 (May through June 30, 1991) | | | |
| Principal Architect | 35 | \$37.21 | \$1,302 |
| Project Manager | 347 | 32.84 | 11,395 |
| Architect | 347 | 25.79 | 8,949 |
| Arch. Assistant II | 174 | 17.03 | 2,963 |
| Secretary II | 87 | 15.54 | <u>1,352</u> |
| Subtotal | | | 25,961 |
| DPW Overhead (Rate=1.2726) | | | <u>33,038</u> |
| Total 1990-91 | | | \$58,999 |

BOARD OF SUPERVISORS
BUDGET ANALYST

| <u>Positions</u> | <u>Hours</u> | <u>Hourly Rate</u> | <u>Total</u> |
|--|--------------|------------------------|---------------|
| Fiscal Year 1991-92 (July 1, 1991 through September 30, 1991) | | | |
| Principal Architect | 52 | \$39.07 | \$2,032 |
| Project Manager | 528 | 34.48 | 18,205 |
| Architect | 528 | 28.43 | 15,011 |
| Architect | 264 | 27.08 | 7,149 |
| Arch. Assistant II | 264 | 17.88 | 4,720 |
| Secretary II | 132 | 16.32 | <u>2,154</u> |
| Subtotal | | | 49,271 |
| DPW Overhead (Rate = 1.2726) | | | <u>62,702</u> |
| Total 1991-92 | | | \$111,973 |
| Contingencies: Travel, overtime, temporary staffing | | | <u>4,028</u> |
| Total Requested Release of Reserve | | | \$175,000 |

Comments:

1. Mr. Russ Abel of the DPW's Bureau of Architecture reports that the project management services which would be provided by the Bureau of Architecture include oversight of the design contract with the architects, including providing information to the architects on soils, traffics, and utility locations.
2. Mr. Abel reports that none of the above-listed positions, which would be funded from the bond funds through work orders, are new positions. Mr. Abel also reports that after September 30, 1991, the existing staff would continue to provide project management services, but the positions would be funded through the new issuance of Public Library Improvement Bonds of 1988, which will be issued in June, 1991. Once the Branch Libraries renovations are complete and the new Main Library is constructed, the existing staff positions would be either reassigned to other existing work orders in the Bureau of Architecture or eliminated.
3. The hourly rates for the positions include Fiscal Year 1991-92 salary standardization increases. Approximately \$5,332 of the \$175,000 would not be expended if salary standardization increases are not approved for Fiscal Year 1991-92.

4. As reflected above, Mr. Abel reports that an additional Architect is to be added for Fiscal Year 1991-92 because as the City moves closer to the construction phase of the project, the Architects from the Bureau must coordinate required approvals, and provide more detailed information on soils, traffic, and utility locations to the architects.

5. Mr. Abel also reports that bidding for an early excavation contract for the new Main Library is scheduled to begin in December, 1991, excavation is scheduled to begin by March, 1992, and construction is scheduled to begin by January, 1993. Mr. Abel also reports that an archaeological investigation, if required, would be completed during the early excavation prior to January, 1993. By June, 1995, both the construction of the new Main Library and renovations at the Branch Libraries are scheduled to be completed.

6. Mr. Abel indicates that the San Francisco Art Commission has developed a three step design approval process for all projects on City property, including the new Main Library. These phases are schematic design approval, design development approval, and construction document approval. Mr. Abel reports that the Library Commission and the Art Commission have already approved the schematic design phase and design development phase of the new Main Library. Mr. Abel anticipates that the Bureau of Architecture will provide construction documents for approval to the Library Commission and Art Commission by March, 1992.

7. According to Mr. Abel, the proposed new Main Library would have a classical design similar to other Civic Center buildings, facing Larkin Street and Fulton Street and a contemporary design facing Grove Street and Hyde Street. Mr. Abel reports that some individuals belonging to the group San Francisco Tomorrow, an urban planning interest group, has objected to the contemporary design of the new Main Library facing Grove Street and Hyde Street. Mr. Abel also reports that the individuals are concerned about relocating the Pioneer Monument located at the corner of Grove Street and Hyde Street, and are requesting that the Bureau of Architecture delay developing construction documents until the Planning Commission certifies the Environmental Impact Report (EIR) for the new Main Library. The EIR should be completed by December, 1991. A preliminary draft of the EIR has already been completed, and Mr. Abel indicates that he anticipates no major changes to the final design of the new Main Library. According to Mr. Abel, if the project is delayed, the additional architect which would be added for Fiscal Year 1991-92 would not be needed

BOARD OF SUPERVISORS
BUDGET ANALYST

full-time, but would be needed 50 to 75 percent FTE to assist with complications created by the project delay. Mr. Abel estimates, however, that assuming a four percent inflation rate over eight months, delaying the new Main Library project until the EIR is completed will result in approximately \$2.5 million in additional construction costs incurred. Additional costs would also be incurred because the architect's contract would have to be renegotiated due to staffing, space, and budgeting modifications which the architect would experience if the construction documents are delayed. Ms. Judith Boyajian of the City Attorney's Office reports that there are different alternatives for the final design of the new Main Library currently under review which are outlined in the preliminary draft of the EIR. Mr. Robert Kenealey of the City Attorney's Office reports that even though the final design has not been certified by the EIR, delaying the construction document phase of the project would not be cost effective.

Recommendation: Release the reserved funds in the amount of \$175,000 (based on the approval of the Fiscal Year 1991-92 salary standardization cost increases).

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 23 - File 79-90-4.1

Department: Mayor's Office of Community Development (MOCD)

Item: Request for release of reserved funds

| | | |
|----------------|---|---------------|
| Amount: | Challenge Grant Program | \$235,591 |
| | Mission Economic Development Association (MEDA) | 20,000 |
| | Mission Economic Cultural Association (MECA) | <u>30,000</u> |
| | Total | \$285,591 |

Source of Funds: 1991 Community Development Block Grant funds

Description: The Board of Supervisors approved the 1991 Community Development Block Grant (CDBG) Program (Resolution 962-90) on December 3, 1990, including six items that had been placed on reserve by the Finance Committee. MOCD is requesting a review of three of the reserved items to obtain the Finance Committee's release of \$285,591 in reserved funding.

Comments: A listing of the subject items requested for release with the reasons for the reservation of funds and the actions taken by MOCD to obtain release is shown below:

| <u>Item</u> | <u>Program Purpose</u> | <u>Reason for Reserve</u> | <u>MOCD Action</u> |
|-------------------------------------|--|--|--|
| Challenge Grant Program (\$235,591) | The Challenge Grant Program is designed to provide eligible CDBG-funded organizations with additional MOCD funds to match new monies secured by the those organizations from qualifying donors, as opportunities arise throughout the year, thus assisting those organizations to become more independent of MOCD funding. | The Program was developed by MOCD four years ago but not implemented during the three previous fiscal years. | MOCD reports that nonprofit organizations that have CDBG funding request the continuation of the Challenge Grant Program because it allows them to use the program as leverage for obtaining foundation and corporate grants to provide services to low income persons. MOCD has prepared procedures which will be sent to CDBG-grant recipients to implement the program as soon as funding is released. |

| <u>Item</u> | <u>Program Purpose</u> | <u>Reason for Reserve</u> | <u>MOCD Action</u> |
|--|---|---|--|
| MEDA (\$211,410 total budget: \$20,000 reserved) | MEDA is a Mission District based organization that works to retain and expand small businesses, upgrade commercial properties, assist business relocations, and attract new businesses to San Francisco. | To give MOCD and MEDA the opportunity to exchange information and finalize the program for the additional \$20,000. | The 1991 Community Development grant of Mission Economic Development Association (MEDA) has been executed and the program has begun. The \$20,000 grant request, if funded, would be used to hire a small business analyst to assist small businesses. The Mayor's Office requests release of the \$20,000 reserved for MEDA so that these funds can be added to their existing 1991 grant. |
| MECA (\$68,000 total budget: \$30,000 reserved) | MECA is a consortium of eleven Mission District based community organizations that have combined to coordinate and produce major Latino cultural events in San Francisco. MECA also operates Festival Enterprises, Inc., a business comprised of a festival booth and equipment rental operation and a festival product merchandising operation. The project provides festival equipment and supplies to Bay Area Parks and Street Festivals and merchandises festival products in certain department stores. | To give MOCD and MECA the opportunity to exchange information and finalize the program for the additional \$30,000. | According to MOCD, the 1991 Community Development grant of MECA has been finalized and the program is ready to begin. Mr. Bernhard Gunther of MOCD reports that MECA would use the \$30,000 to procure equipment, such as festival tents, exhibit booths, and merchandising booths to fully implement the activities of Festival Enterprises, Inc. However, a budget is not yet available for this \$30,000 expenditure. Therefore, the \$30,000 should remain on reserve pending the submission of a detailed budget. |

- Recommendations:**
1. The decision of whether to release funding for the proposed programs and purposes is a policy decision for the Board of Supervisors. However, we recommend that the funds on reserve to be used by the Mission Economic Cultural Association for Festival Enterprises, Inc. should continue to be reserved, pending the submission of a detailed budget for such activities.
 2. If the reserve on funding for the Challenge Grant Program is released, require that MOCD report periodically on the implementation and results of the Program, including the identification of the agencies and the specific amounts allocated.

Item 24 - File 165-91-4

The proposed motion would direct the Budget Analyst to conduct a Management Audit of the San Francisco Redevelopment Agency.

At the present time, the authority of the Board of Supervisors and its influence over the San Francisco Redevelopment Agency's current program includes the following:

- Approval of all areas to be surveyed;
- Approval of each redevelopment plan;
- Approval of any changes to plans as originally presented;
- Approval of the SFRA annual program budget.

Proposed Scope of a Detailed Review

A comprehensive operational review of the San Francisco Redevelopment Agency would include the following major tasks :

1. Examine mission, goals and organizational structure of the San Francisco Redevelopment Agency and compare to other Redevelopment Agencies in the State of California.
2. Review and examine all redevelopment project plans as approved by the Commission and the Board of Supervisors.
3. Examine and analyze each project for conformance to plan and adherence to schedule. Included in such an examination would be:
 - a. Review of ongoing project revenues and financing sources such as proceeds from the sale of property, rental and lease revenue, prior year surpluses and reserves, bond proceeds and ongoing tax increment financing.
 - b. Review of estimated costs over the life of the respective projects; analysis of need for revenue augmentation over and above existing sources to complete project.
 - c. Review of long term needs for debt financing and tax increment revenue to complete existing approved plans.
 - d. Evaluation of operational objectives and management controls for Agency as a whole and for each project within the Agency.

Estimated Cost

We estimate that the detailed operational review outlined above would require 800 hours of staff time over a four to six month period. Based on this number of professional staff hours, and based on the Budget Analyst's average hourly rate of \$60.96, the cost of such a study would be approximately \$48,768. Funds would be available within the present Budget Analyst's contract amount.

Redevelopment Agency Review by Controller's Internal Audit Division

The Budget Analyst has learned that the Controller's Internal Audit Division has just begun a performance audit of the Redevelopment Agency. Internal Audit plans to commit approximately 700 hours of professional staff time to this effort over the next two to three months. The scope of the Controller's performance audit is as follows:

Phase I

1. To assess the agencies missions, goals and objectives.
2. To evaluate the Redevelopment Agency's performance against their stated missions, goals and objectives.
3. To evaluate if the Redevelopment Agency's Mission is compatible with the direction and mission of the City and County of San Francisco.
4. To assess if the Redevelopment Agency is complying with appropriate Federal, State and City and County rules and regulations.
5. To evaluate if the Agency's Divisions are generally operating in an efficient and effective way.

Phase II

1. To evaluate the City's policies on housing relocation services.
2. To assess the Redevelopment Agencies role in housing relocation.
3. To evaluate other City and County organizations that provide relocation services.

Memo to Finance Committee
May 15, 1991

The Budget Analyst has met with the Controller's Internal Audit Division Chief and staff managing the performance audit of the Redevelopment Agency. We have also discussed the matter with the Controller. Based on these discussions, we are certain that, through collaborative planning, our two offices can work together successfully, as we have recently on the performance audit of the Police Department's 911 functions. We further believe that the product of our collaboration will be a more comprehensive and valuable review than that which would otherwise have been achieved if our two offices were to approach this assignment individually and separately.

Because the Controller's Internal Audit Division has already begun work on the performance audit of the Redevelopment Agency, and the Budget Analyst could not begin until after the annual budget review has been completed (in July at the earliest) we would envision two separate reports from our respective offices for this assignment.

Supplementary Information on Redevelopment Agency

Current Redevelopment Projects:

Yerba Buena Center
Yerba Buena Gardens and Cultural Facilities
Rincon Point-South Beach
Western Addition A-2
Hunters Point
India Basin Industrial Park
Affordable Housing Program
Fisherman's Wharf
South of Market
Bernal Heights *
South Bayshore **
Economic Development Program
Central Relocation Services

* Predicated on merger with existing Redevelopment Agency Project area.

** Not yet declared an official Survey Area.

A summary of the San Francisco Redevelopment Agency's 1990-91 budget is provided on the following page.

San Francisco Redevelopment Agency 1990-91 Budget
(in \$ thousands)

Revenues:

| | | |
|--|--------------|-----------|
| Property Sales | \$ 24,098 | |
| Rental/Leases | 4,940 | |
| Prior Year Earnings/Savings | 3,925 | |
| Yerba Buena Center (YBC) Reserve Funds | 31,324 | |
| Debt Proceeds | 6,358 | |
| Developer Contributions | 2,500 | |
| Tax Increment Proceeds: 1989/90 Bonds | <u>3,279</u> | |
| Total Revenues | | \$ 76,424 |

Expenditures:

| | | |
|---|---------------|---------------|
| Legal | \$ 945 | |
| Planning | 902 | |
| Acquisition | 4,000 | |
| Public Improvements | 2,608 | |
| Architecture and Engineering Design | 2,977 | |
| Relocation | 3,481 | |
| Property Maintenance | 2,391 | |
| Housing Rehabilitation - Community Housing Rehabilitation Program (CHRP) | 685 | |
| Housing Assistance | 4,942 | |
| City-Wide Housing Fund | 8,250 | |
| Economic Development | 2,124 | |
| Debt Service | 23,770 | |
| Restricted Funds | <u>32,130</u> | |
| Subtotal | | 89,205 |
| SFRA Personnel Costs | 7,707 | |
| Administrative Overhead Costs | <u>1,914</u> | |
| Subtotal | | <u>9,621</u> |
| Total Costs | | <u>98,826</u> |
| Board Reductions | | <u>-534</u> |

| | |
|---|----------|
| Total Project | |
| Revenue Less Costs (Amount to be financed) | \$21,868 |
| * Tax Increment Request for FY 1990-91 was \$2,481,000 (before Board reductions) | |

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 25 - File 132-91-4

Department: San Francisco Art Commission

Item: Hearing to consider authorization of expenditure of funds of \$65,000 in the Youth Arts Fund.

Description: The Board of Supervisors authorized amending the San Francisco Administrative Code on January 2, 1990 (File No. 97-89-52) to add Section 10.117-95 which established a special fund, the Youth Arts Fund, for the purpose of receiving a portion of the annual payment made to the City under the Advertising Transit Shelter Agreement. Under the Advertising Transit Shelter Agreement, the City receives a portion of Gannett bus shelter advertising revenues. Ms. Kathleen Kelly of the Public Utilities Commission reports that the City received approximately \$165,000 from Gannett bus shelter advertising revenues in FY 1990-91.

The Youth Arts Fund must be used exclusively for providing programs and opportunities for the talents and creativity of young artists. The Art Commission has the discretion to expend monies from the Youth Arts Fund for these purposes, subject to annual budgetary review and approval by the Board of Supervisors. The proposed expenditure of \$65,000 from the Youth Arts Fund, which the proposed hearing would consider, would be used as follows:

Youth Arts Festival \$10,000

Four day indoor/outdoor arts festival held in conjunction with the SFUSD and the De Young Museum

Masks Project

Provide payment for artists who participated in a program to create masks with youth at various middle schools. The payments would be provided to the following artists:

| | |
|------------------------|--------------|
| Calvin Yau Chin | 2,000 |
| Mark S. Knego | 2,000 |
| Xochiti Nevel Guerrero | 2,000 |
| Tony Yuen | <u>4,000</u> |
| Total Masks Project | 10,000 |

Artist in Residence Program

Artists would provide various arts program to underserved schools and non-profit organizations 25,000

BOARD OF SUPERVISORS
BUDGET ANALYST

| | |
|--|---------------|
| <u>Neighborhood Youth Arts Program</u> | \$10,000 |
| Held in conjunction with the Neighborhood Arts Program, providing youth arts projects primarily at the City's Cultural Centers | |
| <u>Contingency and Administrative Costs</u> | <u>10,000</u> |
| Total proposed expenditure | \$65,000 |

Comments:

1. Legislation was introduced legislation at the May 13, 1991 Board of Supervisors meeting which would authorize the expenditure of funds from the Youth Arts Fund.
2. Ms. Ann Kronenberg of the Arts Commission reports that the Youth Arts Festival has occurred during the weekend of May 10-12, 1991. Ms. Margie O'Driscoll reports that the Masks Project has already been presented to Middle School students, and the \$10,000 budgeted for the Masks Project would provide payment to the artists. Ms. O'Driscoll also reports that guidelines are currently being developed for the Artist in Residence Program, and the Neighborhood Youth Arts Program, but all funds would be expended before June 30, 1991.
3. Ms. Kathryn Pennypacker of the City Attorney's Office reports that the \$10,000 budgeted for the Masks Project was supposed to be funded through Festival 2000 but because the Festival went bankrupt, the funds are now included as part of the Youth Arts Fund proposed expenditure.
4. Mr. Raymond Wong of the Art Commission reports that there is currently \$82,604 available in the Youth Arts Fund. The balance remaining in the Youth Arts Fund at the end of FY 1990-91 would be carried forward to the FY 1991-92.
5. Since the Youth Arts Fund expenditures are subject to budgetary review and approval by the Board of Supervisors, the Budget Analyst believes that prior to authorizing any expenditures from this special fund, a supplemental appropriation ordinance, supported by a more detailed budget, should be submitted to the Board for its review.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 26 - File 132-91-5

Department: San Francisco Art Commission

Item: Hearing to consider authorization of expenditure of funds of \$50,000 for the Market Street Arts Maintenance Fund.

Description: The Board of Supervisors authorized amending the San Francisco Administrative Code on January 2, 1990 (File No. 97-89-52) by adding Sections 10.117-93 which established a special fund entitled the Market Street Arts Maintenance Fund. The Market Street Arts Maintenance Fund was established for the purpose of receiving a portion of the City's and County's share of advertising revenues from transit shelter advertising on Market Street, as provided in the Advertising Transit Shelter Agreement. Under the Advertising Transit Shelter Agreement, the City receives a portion of the Gannett bus shelter advertising revenues. Ms. Kathleen Kelly of the Public Utilities Commission reports that the City received approximately \$165,000 from Gannett bus shelter advertising revenues in FY 1990-91.

The Market Street Arts Maintenance Fund must be used exclusively for the maintenance and restoration of public art on Market Street. The San Francisco Art Commission has the discretion to expend monies from the Market Street Arts Maintenance Fund for these purposes, subject to annual budgetary review and approval by the Board of Supervisors. The expenditure of \$50,000 from the Market Street Arts Maintenance Fund, which the proposed hearing would consider, would be used as follows:

Maintenance of Historic Monuments

| | |
|---|----------|
| Inspection, cleaning, waxing, re-coating and graffiti removal | \$30,000 |
|---|----------|

Maintenance of Transit Shelter Art Program

| | |
|---|--------|
| Inspection, replacement of damaged poster art, re-printing costs, re-installation | 15,000 |
|---|--------|

Administration and Contingency

| | |
|--|--------------|
| Salary, related program expenses, photographic documentation of monument and contemporary art work restoration | <u>5,000</u> |
|--|--------------|

| | |
|----------------------------|----------|
| Total proposed expenditure | \$50,000 |
|----------------------------|----------|

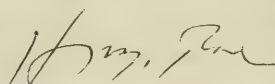
Comments: 1. Legislation was introduced at the May 13, 1991 Board of Supervisors meeting which would authorize the expenditure of funds from the Market Street Arts Maintenance Fund.

BOARD OF SUPERVISORS
BUDGET ANALYST

2. Ms. Ann Kronenberg of the Art Commission reports that the Art Commission is required by City Charter to maintain historical monuments. The \$30,000 budgeted for maintenance would provide funds for the contract to provide on-going maintenance work. Ms. Kronenberg also reports that the \$15,000 budgeted for the maintenance of the Transit Shelter Art Program would be used by the Art Commission to purchase, print and replace posters at various transit shelters. The actual replacement work would be done by Gannett under the Advertising Transit Shelter Agreement, but would not be included in the \$15,000 budgeted for maintenance of the Transit Shelter Art Program. Ms. Margie O'Driscoll of the Art Commission reports that both the maintenance of the Historic Monuments, and of the transit shelter art are provided on an on-going basis. Ms. O'Driscoll reports that the funds from the proposed expenditure would be used before June 30, 1991.

3. Mr. Raymond Wong of the Arts Commission reports that there is currently \$52,500 available in the Market Street Arts Maintenance Fund. The balance remaining in the Market Street Arts Maintenance Fund at the end of FY 1990-91 would be carried forward to the FY 1991-92.

4. Since the Market Street Arts Maintenance Fund proposed expenditures are subject to budgetary review and approval by the Board of Supervisors, the Budget Analyst believes that prior to authorizing any expenditures from the special fund, a supplemental appropriation ordinance, supported by a more detailed budget, should be submitted to the Board for its review.



Harvey M. Rose

| | |
|-------------------------|------------------------------|
| cc: Supervisor Gonzalez | Clerk of the Board |
| Supervisor Shelley | Legislative Policy Analysts |
| Supervisor Hallinan | Chief Administrative Officer |
| President Ward | Controller |
| Supervisor Achtenberg | Sam Yockey |
| Supervisor Alioto | Ted Lakey |
| Supervisor Britt | |
| Supervisor Hsieh | |
| Supervisor Kennedy | |
| Supervisor Maher | |
| Supervisor Migden | |

BOARD OF SUPERVISORS
BUDGET ANALYST

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4. Based on the Water Department bills submitted to the Housing Authority, during the eight month period between August, 1990 and March 1991, the Housing Authority incurred excess use charges of \$178,403, or approximately \$22,300 per month. Based on discussions with Mr. Mullane of the Water Department, installation of the proposed water conservation devices, in conjunction with the Water Department's inspection of these plumbing fixtures for leaks, should eliminate these excess use charges.

5. However, based on discussions with Mr. Mullane and Mr. Michael Kelly of the Housing Authority, the Housing Authority does not have funds in their budget to offset the projected costs of the water conservation measures and does not want to enter into a loan arrangement with the Water Department to undertake this work. According to Mr. Kelly, the Housing Authority has just completed repaying a large debt, and does not want to incur any additional obligations at this time.

6. Based on the Housing Authority's position, Mr. Mullane has requested that if the Board of Supervisors does not wish to approve the funds for use for the Housing Authority, that the proposed \$110,000 be redirected for use in existing City departments, to conserve water. According to Mr. Mullane, in most cases the City has not installed water conservation devices in City facilities. Mr. Mullane reports that he has received requests from the Fire Department, the Police Department, the Health Department and the Department of Public Works to work with them to install such devices at fire and police stations, Laguna Honda Hospital, San Francisco General Hospital and throughout City-owned facilities. Although Mr. Mullane could not provide an estimate of the costs of purchasing and installing such devices for City departments, he estimated that the \$110,000 included in the proposed supplemental appropriation would provide sufficient funds to initiate this program.

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Recommendation: The Budget Analyst believes that this request to address water conservation through development of an information package (\$50,000) is justified. Given the outcome of the meeting with the Housing Authority, the Budget Analyst believes it is a policy matter as to whether the \$110,000 for the water conserving devices should be provided to the Housing Authority or existing City departments.

**BOARD OF SUPERVISORS
BUDGET ANALYST**

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CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

May 20, 1991

TO: Finance Committee
FROM: Budget Analyst - *[illegible]*
SUBJECT: May 22, 1991 Special Finance Committee Meeting

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MAY 22 1991

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Item 1 - File 101-90-107

Department: Chief Administrative Officer (CAO)
Item: Supplemental Appropriation Ordinance
Amount: \$266,500
Source of Funds: Business License Tax - Neighborhood Beautification Fund
Description: On June 5, 1990, San Francisco voters approved Proposition D, to establish the Neighborhood Beautification Fund. According to Proposition D, taxpayers may designate a portion of their payroll expense or business tax payment (up to one percent in 1990; actual percent to be determined by the Controller for each year thereafter) for deposit to the Neighborhood Beautification Fund.

The Neighborhood Beautification Fund is used to finance beautification projects proposed by non-profit organizations, community groups and City departments. The Neighborhood Beautification Fund has a limit of \$1 million. Any excess business tax proceeds designated for the Neighborhood Beautification Fund over the \$1 million limit are placed in the General Fund.

In January, 1991 the Board of Supervisors approved a supplemental appropriation of \$24,766 to fund the start-up costs of the program. At that time, the Chief Administrative Officer reported to the Board of Supervisors that a second supplemental appropriation request would be submitted after the March 1, 1991 business taxes were paid. The proposed ordinance is this second request.

The proposed supplemental appropriation would fund:

| <u>Item</u> | <u>Amount</u> |
|-----------------------------|----------------|
| Marketing Consultant | \$500 |
| Public Information Services | 10,000 |
| Grants | <u>256,000</u> |
| Total | \$266,500 |

The proposed marketing consultant would implement a fund-raising and marketing plan for the Neighborhood Beautification and Graffiti Clean-Up Fund for the month of June, 1991. The proposed plan would include outreach efforts, such as direct mail, telephone contact, media, etc. to business taxpayers to inform them of their option to designate to the Fund. Ms. Joan Lubamersky of the CAO's Office reports that, based on a RFP process, the CAO's Office has selected Rhoda Abrams Management Consulting Services as the marketing consultant. Rhoda Abrams Management Consulting Services is a WBE firm located in San Francisco that has not received certification by the Human Rights Commission (HRC).

The CAO's Office has selected the San Francisco Clean City Coalition to provide the proposed public information services. The Clean City Coalition was selected due to the uniqueness of their services. For example, the San Francisco Clean City Coalition already produces public information materials and public service announcements on the beautification of the City. The San Francisco Clean City Coalition is a large group of City residents, neighborhood groups, and other organizations that are interested in keeping San Francisco clean.

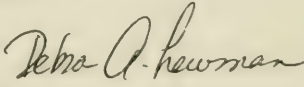
Comments:

1. Proposition D assigned the responsibility to the CAO for administering the Fund and for developing rules and regulations for the disposition and use of the Neighborhood Beautification and Graffiti Clean-up Fund monies. On November 17, 1990, the Board of Supervisors approved a resolution (File 265-90-1) adopting rules and regulations which the CAO had developed for implementing and governing the Neighborhood Beautification and Graffiti Clean-up Fund.

2. According to Mr. Willis Tom from the Tax Collector's Office, the Tax Collector has transferred \$377,001 to the Neighborhood Beautification Fund from July, 1990 through March, 1991. Mr. Tom further advises that \$20,000 additional funds are expected from the March, 1991 business tax collection.

3. The \$256,000 budgeted for grants would be used to fund community-based organizations or City Departments for neighborhood beautification projects. Ms. Lubamersky reports that the CAO's Office has received 32 grant applications. However, as of the writing of this report, no grantees have been selected. Proposition D requires the CAO's Office to submit a semi-annual report to the Board of Supervisors accounting for the grant disbursements. Therefore, it is unnecessary to reserve the \$256,000 budgeted for grants.

Recommendation: Approve the proposed ordinance.


for Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Shelley
Supervisor Hallinan
President Ward
Supervisor Achtenberg
Supervisor Alioto
Supervisor Britt
Supervisor Hsieh
Supervisor Kennedy
Supervisor Maher
Supervisor Migden

Clerk of the Board
Legislative Policy Analysts
Chief Administrative Officer
Controller
Sam Yockey
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

May 20, 1991

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MAY 22 1991

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TO: Finance Committee

FROM: Budget Analyst *Recommendation*

SUBJECT: May 22, 1991 Finance Committee Meeting

Item 1 - File 101-90-97

Department: Public Utilities Commission (PUC),
Municipal Railway (MUNI)

Item: Ordinance appropriating funds for various capital improvement projects.

Amount: \$2,590,309

Source of Funds: Cable Car System Fund

Description: The proposed ordinance would appropriate funds for Cable Car system maintenance, improvement and enhancement, projects as well as correct design errors from the reconstruction project. The City brought litigation against the design engineer and project construction manager for the Cable Car Rehabilitation project due to design deficiencies and overall poor project performance. The City was awarded a settlement of \$3,125,000 from Chin & Hensolt Engineers, O'Brien-Kreitzberg Associates and David K. Low Associates. After litigation and incidental costs, a balance of \$2,860,310 has been deposited in the Cable Car System Fund for the purpose of operating and maintaining the Cable Car System and facilities. The proposed supplemental appropriation would provide funding for the Cable Car projects from the proceeds of this litigation. The following projects have been identified by MUNI as being in need of attention:

| <u>Project</u> | <u>PUC</u> | <u>Contractual</u> | <u>Total</u> |
|--|---------------|--------------------|---------------|
| <u>Offset Slot/Depression Beams</u> The existing depression beams are being replaced with either offset slot rails or spring depression springs. | \$244,996 | \$368,068 | \$613,064 |
| <u>Trackway Improvements-Pull Curves</u> The existing pull curves, constructed as part of the Cable Car System restoration, do not allow for visual inspection and wear measurements of the chafing bar and pulleys. This project would redesign the existing pull curves and construct pull curves which allow for ease of maintenance, inspection and replacement of parts. | 250,000 | 1,127,246 | 1,377,246 |
| <u>Trackway Improvements-Cable Car Pull-in and Pull-out Gates</u> Reinstallation of the tracks at the pull-in and pull-out gates. | 30,000 | 170,000 | 200,000 |
| <u>System Safety and Code Compliance - Passenger Safety Improvements</u> Modification to the intersections to allow passengers to board and alight while traffic in all four directions is stopped for a period of time. Funding for this project would be used to modify the intersection at California and Grant. | 150,000 | 225,000 | 375,000 |
| <u>System Safety and Code Compliance - Industrial Safety</u> This project would address existing industrial and environmental safety issues, such as lubricant storage and explosion proof fixtures as they arise. | <u>12,500</u> | <u>12,500</u> | <u>25,000</u> |
| Total | \$687,496 | \$1,902,814 | \$2,590,310 |

Comments:

1. Ms. Kathleen Kelly of the PUC reports that the PUC has selected Anderson Pacific Engineering to perform the contractual services for the Offset Slot/Depression Beams project. Anderson Pacific Engineering has been working on Offset Slot/Depression Beams projects for the PUC since March of 1990. Anderson Pacific Engineering is neither a MBE/WBE nor a LBE firm. Anderson Pacific Engineering will, however, subcontract 51 percent of the contract to Orecor, a City-certified MBE firm.

2. Ms. Kelly reports that the PUC has not selected the firms for the rest of the above projects. As such, the \$1,534,746 budgeted for contractual services of the above projects (\$1,127,246 for Trackway Improvements-Pull Curves, \$170,000 for Trackway Improvements-Cable Car Pull-in and Pull-out Gates, \$225,000 for System Safety and Code Compliance-Passenger Safety Improvements and \$12,500 for System Safety and Code Compliance-Industrial Safety) should be placed on reserve pending selection of the construction firms, budgets for the contractors, and the contractors' MBE/WBE/LBE status.

Recommendation: Amend the proposed ordinance to reserve \$1,534,746 budgeted for contractual services pending selection of the firms, a budget for the firms, and the firms' MBE/WBE/LBE status. Approve the proposed ordinance as amended.

Item 2 - File 101-90-98

Department: Public Utilities Commission (PUC), Water Department

Item: Ordinance appropriating funds for the Water Department to pay for legal judgments and claims.

Amount: \$300,000

Source of Funds: Water Department Operating Fund

Description: The Water Department has requested a supplemental appropriation of \$300,000 to pay for anticipated legal judgments and claims for FY 1990-91. Of the total of \$300,000 requested, \$187,500 would be used to cover the cost of a proposed settlement with Dalton, Esquivel, a joint venture.

The proposed settlement resulted from a disagreement on a 1987 construction contract to install an eight-inch ductile iron main at Sutter Street between Sansome and Taylor Streets. According to Mr. Carlos Jacobo of the PUC's Finance Bureau, delays in the construction work due to a combination of factors caused the final cost of the project to be higher than the contractual amount. The contractor subsequently submitted a claim under the original contract for the extra work requested by the Water Department. The \$187,500 represents the City Attorney's negotiated settlement with Dalton, Esquivel for the extra costs of the project.

The remaining \$112,500 would be used to fund other claims anticipated for payment during FY 1990-91. Mr. Jacobo reports that a total of 32 legal judgments and claims are pending or have been approved for settlement with estimated costs ranging from less than \$25 to as much as \$85,000, for a total of \$131,932. Mr. Jacobo reports that, although the amount of claims outstanding is greater than the remaining requested amount of \$112,500, the Water Department would pay as many of the claims as possible with the funding requested. Any remaining claims that the Water Department does not pay in FY 1990-91 the Water Department would pay in FY 1991-92.

Comments: 1. The Water Department's budget for judgments and claims for FY 1990-91 is \$274,356, which includes a carry-forward of \$24,356 from the FY 1989-90 budget. Through the end of April, 1991, of the total of \$274,356, the Department has expended \$271,509, with \$2,847 remaining unencumbered. The remaining \$2,847 would be used, along with the \$112,500 requested above, to pay the judgments and claims that remain outstanding for FY 1990-91.

BOARD OF SUPERVISORS
BUDGET ANALYST

2. As noted above, the \$187,500 settlement with Dalton, Esquivel was negotiated by the City Attorney's Office for the Water Department. Normally, the PUC's Claims Department investigates and adjusts all personal injury and property damage claims. The City Attorney's Office handles all litigation and construction claims, and any injury and damage claims that cannot be resolved by the Water Department.

3. According to Mr. Jacobo, the increase in claims filed in FY 1990-91 is attributed to damages stemming from the general aging of the City's water mains, water main breaks resulting from the October, 1989 earthquake and the deferral of replacement projects due to the immediate damage from the earthquake. The PUC is just now processing and investigating the claims for damages resulting from these main breaks and is requesting this supplemental appropriation to cover the anticipated settlements. Mr. Jacobo further advises that to date, FEMA has reimbursed the Water Department for approximately \$900,000 of directly related earthquake damages to the water mains. However, Mr. Jacobo reports that FEMA does not reimburse the City for any claims or judgements associated with damage as a result of breaks in the water mains.

4. The source of funding for the proposed supplemental appropriation is the Department's unappropriated revenues. The Water Department derives its revenues from water rates charged to San Francisco residents and suburban retail customers (other water districts). Increases in the City and suburban retail customers water rates are currently pending before the Board of Supervisors.

Recommendation: Approve the proposed Ordinance.

Item 3 - File 101-90-100

Department: Public Utilities Commission (PUC)
Hetch Hetchy

Item: Ordinance appropriating funds for Hetch Hetchy to purchase power for resale and rescinding \$9,000,000 from various capital improvement projects.

Amount: \$9,000,000

Source of Funds: Appropriated funds for Capital Improvement Projects, Hetch Hetchy Operating Fund

Description: The PUC's Hetch Hetchy Water and Power Department has existing contractual agreements to sell power to the Modesto Irrigation District (MID) and Turlock Irrigation District (TID). The power sold to MID and TID is generated from the City's Hetch Hetchy hydroelectric system and supplemented, when necessary, with power purchased from PG& E.

During drought years, Hetch Hetchy must reduce its hydroelectric generating capacity to conserve water for public consumption. Because of the extreme drought conditions experienced during 1990-91, Hetch Hetchy reduced power generation further. The reduction in power generation therefore requires the purchase of additional power from PG& E to fulfill the contractual agreements to furnish power to the MID and TID.

The current fiscal year 1990-91 Hetch Hetchy budget for the purchase of power is \$18.78 million. This amount was based on the assumption that 1991 would be a "normal water year". Under this budget assumption, no purchased power would be necessary to meet the needs of the Modesto and Turlock Irrigation Districts. Due to the continued drought however, generation continued at low levels through the end of March, 1991. Consequently, it was necessary to purchase power from PG&E to meet the minimum contractual demand for power by Modesto and Turlock and, to a lesser extent, fulfill the requirements of City and County of San Francisco's municipal purposes.

Hetch Hetchy's proposed request for \$9.0 million supplemental appropriation is summarized as follows:

BOARD OF SUPERVISORS
BUDGET ANALYST

| | | |
|--|-----------------|-------------|
| | <u>Millions</u> | |
| 1990-91 Budget for purchase of power | | \$18.78 |
| Amount required for additional purchased power: | | |
| Modesto/Turlock Irrigation Districts | \$7.109 | |
| City and County Municipal purposes | <u>2.113</u> | |
| Total unanticipated purchased power | | \$9.22 |
| Anticipated purchased power | <u>18.56</u> | |
| Supplemental appropriation required (Subject of the proposed ordinance) | | <u>9.00</u> |
| Total 1990-91 Expenditures and Appropriations | \$27.78 | \$27.78 |

Based on these estimates, the total expenditures on power purchases from P.G. & E. will total \$27.78 million for fiscal year 1990-91.

Comment:

1. The source of funding for the proposed supplemental appropriation is the Department's appropriations for various capital improvement projects. These capital improvement projects include the following:

| | |
|---|-----------|
| Transit Power Improvement | \$543,752 |
| Buildings - Maintenance and Repairs | 197,498 |
| O'Shaughnessy Camp Water Supply | 2,558 |
| Priest Reservoir Diversion | 45,402 |
| Trolley Overhead Program Rehabilitation | 738,915 |
| Trolley Overhead Program Improvement | 62,469 |
| Trolley Overhead Program | 3,972 |
| O'Shaughnessy Dam Power Plant | 100,000 |
| Kirkwood Powerhouse Addition | 359,266 |
| Modify Cherry Valley Domestic Water Supply | 32,224 |
| Tunnels/Pipelines- Moccasin to Alameda | 235,446 |
| Repair/Replace-Hughts Leithold Water Lines | 160,716 |
| Moccasin Creek Bypass Repair Interior Lining | 256,798 |
| Repair/Replace Electrical Distribution System- Moccasin to West Portal | 11,804 |
| Replace Control Wiring Potrero and Presidio Yard | 26,964 |
| Mountain Tunnel Flow Studies | 454 |
| Replace Streetlight Yard | 1,201 |

BOARD OF SUPERVISORS
BUDGET ANALYST

| | |
|--|----------------|
| Improve Van Ness Avenue Streetlight System | \$426,934 |
| Replace Underground Control-Market Street Lighting | 17,501 |
| Moccasin Shop Master Plan Buildings | 884,376 |
| Holm Powerhouse Slope Stabilization | 33,578 |
| Moccasin Dam Safety Analysis | 558 |
| Electronic Governor System | 1,795,839 |
| Transmission System Power Recorders | 1,803 |
| Moccasin Tailrace Improvement | 226,514 |
| Transmission Lines Study | 120,000 |
| Acoustical Flow Meters | 110,144 |
| Moccasin Powerhouse Static Excitation | 698,776 |
| SCADA System Modifications | 1,018,109 |
| O'Shaughnessy Cottage Rehabilitation | 334,698 |
| Sand Trap Box - Canyon Tunnel | 4,676 |
| Moccasin Penstock-Replace/Add Study | 112,055 |
| Kirkwood Penstock - Redrill Inclinometer | 135,000 |
| Remote Data Acquisition and Control | <u>300,000</u> |
| Total | \$9,000,000 |

The above listed capital improvement project funds would be reallocated to pay for the additional purchases of power from P.G.&E. According to Mr. Larry Klein of Hetch Hetchy, the above listed capital improvement projects include closeouts of project accounts for projects that have already been completed, elimination or reduction of matching funds for Federal or State grant projects and deobligation of projects that can be delayed until sufficient funds are available. Mr. Klein reports that funds for these deobligated capital improvement projects, although not included in Hetch Hetchy's 1991-92 budget, will be included in future year budgets.

2. Hetch Hetchy has purchased \$7.109 million (163,771,400 Kwh) of power from P.G. & E. for resale to the MID and TID, at an incremental cost of approximately \$0.0434 per Kwh. However, because of the existing contracts with the MID and TID, Hetch Hetchy is selling the power to the MID and TID at a price of \$.03 per Kwh. Therefore, the purchase of power for the MID and TID is costing Hetch Hetchy \$0.0134 per Kwh more than the revenue received from MID and TID. The purchase of 163,771,400 Kwh for the two irrigation districts cost Hetch Hetchy an additional \$2,196,170 more than the revenue we receive for the same power from MID and TID.

BOARD OF SUPERVISORS
BUDGET ANALYST

3. Hetch Hetchy is obligated to acquire purchased power to meet the needs of the Districts under the long term agreements with MID and TID. Because the price at which this power is sold to the Districts has escalated at a slower rate than the price of PG&E power since the agreements were finally approved in 1988, Hetch Hetchy is actually selling this power at a loss. Under the previous agreements with MID and TID, Hetch Hetchy was protected from such a loss as the Districts were required to pay either the contract price or the PG&E purchase price, whichever was greater.

Recommendation: Based on the requirements to purchase power to meet contractual needs and the needs of the City and County of San Francisco, approve the proposed Ordinance.

Item 4 - File 101-91-12

Department: Police Department

Item: Supplemental appropriation ordinance for capital improvement projects

Amount: \$228,614

Source of Funds: Capital Improvement Reserve - General Fund

Project: Phase I and II of the 911 Emergency Dispatch Center Improvement Project

Description: The 911 Emergency Task Force review concluded that various facility deficiencies adversely affected staff productivity and morale in the Communications Department. As a result, the Task Force recommended that the Department implement the Scheme A physical improvements outlined in the Department of Public Works Architectural Study of the 911 Dispatch Center. The proposed ordinance would fund part of the first and second phases of this renovation.

In accordance with the recommendations of the Joint Controller's Office and Budget Analyst's Management Audit (February, 1991) and the 911 Communications Room Architectural Study by the Bureau of Engineering (December, 1990), a repair and renovation scheme has been developed which will occur in three phases. Phase I would develop a master plan and then finish the existing construction that began prior to the Audit. Phase II would make limited repairs to the phone and dispatch room and order furniture for the Video Display Terminal (VDT) workstations. Phase III would finish the the Phase II work and conduct architectural improvements such as demolishing existing walls, creating new walls, creating a printer tape recording room, and modifying the architectural layout of the 911 Communications Room. The entire project will cost approximately \$383,000. The proposed ordinance would fund \$228,614 of this \$383,000. The remaining \$154,386 to complete the renovation of the 911 Communications Room is being requested in the 1991-92 Capital Improvement Budget.

Project Budget: Department of Public Works Architectural Design Services

| | |
|-------------------------|---------------|
| Architectural Services | \$32,500 |
| Project Management | 18,000 |
| Building Permits | 4,500 |
| Construction Management | <u>18,000</u> |

| | |
|--------------|----------|
| Subtotal DPW | \$73,000 |
|--------------|----------|

Construction Work

| | |
|--|---------------|
| Seismically Brace Existing Ceiling | 10,000 |
| New Seismically Braced Raised Computer Floor | 11,614 |
| Acoustical Wall Treatment | 10,000 |
| Refit Existing Lights with Parabolic Louvers | 3,000 |
| New Phone Positions Per VDT Law (15 telephones x \$3,300) | 49,500 |
| Modify 11 Existing VDT Stations per VDT Law | 25,500 |
| Electrical | 22,000 |
| Contractors' Profit | 12,000 |
| Contractors' Operational Costs | <u>12,000</u> |

| | |
|----------------------------|------------------|
| Subtotal Construction Work | <u>\$155,614</u> |
|----------------------------|------------------|

| | |
|--------------|-----------|
| Total Budget | \$228,614 |
|--------------|-----------|

Comments:

1. Mike Pierron of the Bureau of Architecture reports that PSI, a construction firm selected for the first phase of the project, would perform the construction work for the New Seismically Braced Raised Computer Floor (\$11,614) and the Electrical Work (\$22,000). PSI is not a MBE/WBE nor a LBE firm. PSI is subcontracting approximately 12 percent of the electrical contract, or \$2,640 to Crown Electric, a City-certified MBE firm. Approximately \$3,361 of the \$12,000 budgeted for the Contractors' profit and \$3,361 of the \$12,000 budgeted for the Contractors' Operational Costs would go to PSI and Crown Electric.

2. The Police Department has not selected a construction contractor to perform the remaining construction work (\$10,000 to Seismically Brace Existing Ceiling, \$10,000 for Acoustical Wall Treatment, and \$3,000 to Refit Existing Lights with Parabolic Louvers, and \$2,000 of the \$12,000 budgeted for the Contractors' Profit and \$2,000 of the \$12,000 budgeted for the Contractors' Operational Costs associated with these construction projects). As such, the Budget Analyst recommends that the \$27,000 for construction work

BOARD OF SUPERVISORS
BUDGET ANALYST

be placed on reserve pending selection of the construction firm(s), the firms' budgets and the firms' MBE/WBE status.

3. The \$49,500 budgeted for New Phone Positions per the Video Display Terminal (VDT) Law and the \$25,500 budgeted for Modifying 11 Existing VDT Stations would be used to purchase equipment for the VDT stations at the 911 Dispatch Center. In addition, approximately \$6,606 of the \$12,000 budgeted for the Contractors' Profit and \$6,606 of the \$12,000 budgeted for the Contractors' Operational Costs would go towards the purchase and installation of these VDT equipment and furniture. As of the writing of this report, the Department was unable to identify the companies providing and installing the VDT equipment and furniture. As such, the Budget Analyst recommends amending the proposed ordinance to reserve the \$88,278 budgeted for the purchase and installation of VDT equipment and furniture, (\$49,500 budgeted for New Phone Positions and the \$25,500 budgeted for Modifying 11 Existing VDT Stations as well as the \$6,639 for Contractors' profit and the \$6,639 budgeted for the Contractors' Operational Costs), pending selection of the firm(s), the firms' budget and the MBE/WBE status of the firms.

4. The Police Department reports that the proposed ordinance would fund parts of both Phase I and Phase II of the 911 Emergency Dispatch Center Improvement Project. However, the proposed ordinance only mentions Phase I. As such, the ordinance should be amended to include Phase II.

Recommendation: Amend the proposed ordinance to 1) include Phase II of the 911 Emergency Dispatch Center Improvement Project, 2) reserve \$27,000 for construction work pending selection of the construction firm(s), the firm's budget and the MBE/WBE status of the firm and 3) reserve the \$88,278 budgeted for the purchase and installation of VDT equipment and furniture pending selection of the firm(s), the firms' budget and the MBE/WBE status of the firms. Approve the proposed ordinance as amended.

Item 5 File 47-91-7

Departments: Real Estate
Parking and Traffic

Item: Ordinance approving and adopting Mission-Bartlett Garage legal documents and authorization to lease.

Description: Administrative Code Section 17.14 requires approval of the Board of Supervisors by ordinance as to form of the lease documents and of the invitation for bids.

The Mission-Bartlett parking facility is located on Bartlett Street between 21st and 22nd Streets. The parking facility is currently an unsecured metered parking facility. Under the terms of the proposed lease, the lessee would be required to convert the facility to a secured attended parking facility. The lessee would be required within thirty days of signing the lease to make the following capital improvements to the facility: install security fencing, gates and cameras, and revenue control and related equipment.

The Mission-Bartlett parking facility accommodates a total of 361 parking spaces, including 14 unmetered parking spaces provided for handicapped parkers. The Parking and Traffic Authority would relocate its approximately 347 parking meters from the facility to other metered sites in the City. The City's parking meter maintenance crews would remove the parking meter heads for use as replacements for broken meters and for new locations rather than purchasing additional new meters. Mr. Ben Beckman, Superintendent of the Parking Meter Repair Division, reports that his Division is currently in need of additional meters.

Currently, the City receives annual revenues of approximately \$100,000 from the Mission-Bartlett parking facility's parking meters. The Mission-Bartlett parking facility's parking meter rate is currently set at 30¢ an hour. Of the approximate 347 parking meters, 97 allow eight-hour parking and the remaining 250 allow two-hour parking. The longer parking time is provided for work-hour parking for the employees of local area merchants.

Comments: 1. According to Mr. Kevin Hagerty of the Parking and Traffic Authority, the Parking and Traffic Authority has expenses of approximately \$44,000 per year in maintaining the Mission-Bartlett parking facility. With revenues of approximately \$100,000, the facility's net revenues are \$56,000. Gross parking meter revenues are allocated by formula. The first \$6 million of parking meter revenues received are allocated to

BOARD OF SUPERVISORS
BUDGET ANALYST

the General Fund and amounts over \$6 million are allocated to the Off-Street Parking Fund. As a result of this formula, the Parking Authority estimates that approximately \$60,000 of the \$100,000 parking meter revenues from the Mission-Bartlett parking facility is allocated to the General Fund.

2. The proposed lease agreement would provide for hourly parking at a rate of 50¢ per hour, 20¢ per hour more than the current 30¢ per hour parking meter rate, with a maximum of \$5.00. The overnight rate would be \$3.00. Currently, there is no charge during the evenings because the parking meters do not require payment after 6 p.m. or on Sundays. Monthly parking for local employees and residents would be \$60.00. Mr. Hagerty estimates current demand for monthly parking to be approximately 100 parking spaces. However, if the demand for hourly parking spaces exceeds the spaces available, the number of monthly parking spaces would be reduced accordingly.

3. The revenues from the operation of a parking facility by a lessee to the City are allocated according to requirements distinct from the revenues received from parking meters. Under the proposed lease method, the lessee would operate Mission-Bartlett as a secured attended parking facility and would be required to pay City parking taxes in addition to lease payments to the General Fund.

4. Although the actual amount cannot be determined until the lease is approved, Mr. Hagerty estimates that the proposed operation of the Mission-Bartlett parking facility as a secured attended parking facility would increase the City's Parking Tax revenues between \$50,000 to \$60,000 per year and would earn lease revenues for the General Fund between \$40,000 and \$50,000 per year. Of the \$50,000 to \$60,000 estimated to be received in Parking Tax revenues to the City, most of the revenues would be allocated to the General Fund and a smaller portion would be allocated to the Commission on Aging on a formula basis.

5. The following summary compares revenues and expenses under current parking meter operations with the revenues under the proposed leased operation:

| | <u>Current Parking Meter Operation</u> | <u>Proposed Leased Operation</u> | <u>General Fund Revenues</u> | <u>Off-Street Parking Fund Revenues</u> | <u>Commission on Aging Revenues</u> |
|---------------------------|--|--|--------------------------------------|---|---|
| Parking Meter Revenues | \$100,000 | - " | \$60,000 | \$40,000 | - |
| Expenses | (44,000) | - | - | (44,000) | - |
| Parking Tax Revenue | - \$50,000 to \$60,000 | | \$37,500 to \$45,000 | - | \$12,500 to \$15,000 |
| Lease Revenues | - \$40,000 to \$50,000 | | \$40,000 to \$50,000 | - | - |

6. Mr. Hagerty reports that the impetus for considering the change in operation of the Mission-Bartlett parking facility is the increasing number of complaints from the local merchants in the area that the conditions at the facility discourage potential buyers from the area. According to Mr. Hagerty, there is an increasing sense that the facility is not safe because of the number of homeless persons loitering about the facility and unseemly conditions resulting from the homeless using the facility to relieve themselves. The Authority intends that as a secured attended parking facility, the Mission-Bartlett Garage would be kept clean and safe and better serve the area's merchants and residents.

7. After the Parking and Traffic Authority has selected a lessee from the bids offered, the Board of Supervisors would approve the proposed lease.

Recommendation: Approve the proposed ordinance.

Item 6 - File 62-91-2

Note: The Finance Committee continued this item at its March 6, 1991 meeting in order for the Recreation and Park Department to negotiate changes to the proposed lease amendment.

Department: Recreation and Park Department

Proposed Action: Ordinance approving the second amendment to the Lake Merced Boating and Fishing lease with Urban Parks Concessionaires.

Description: The proposed second amendment to the Lake Merced Boating and Fishing lease with Urban Parks Concessionaires would provide for the following amendments to the lease:

1. Paragraph 4: Rental, would be amended by deleting the entire second paragraph and replacing it with new language. Currently, as a result of the first amendment to this lease, Paragraph 4 stipulates that Urban Parks Concessionaires is required to pay the City the following percentage of gross revenue or minimum annual rental, whichever is greater:

Gross Annual
Revenues

Rent Due

| | |
|---------------------|---|
| \$0 - \$275,000 | 1/2 payment of minimum annual rent vs. 12.5% on boat storage 10.0% on boat rental 7.5% on all other services and sales 5% on food and non-alcoholic beverages |
| \$275,000 and above | full payment of minimum annual rent vs. 25% on boat storage 20% on boat rental 15% on all other services and sales 10% on food and non-alcoholic beverages |

| | <u>Term of Lease</u> | <u>Amount</u> |
|-----------------------|--------------------------|-------------------|
| Minimum Annual Rental | Years 1-4 | \$22,500 per year |
| Minimum Annual Rental | Years 5-10 | \$25,000 per year |

The proposed amendment to Paragraph 4 states that due to negative environmental conditions which have occurred over the last several years, which include, but are not necessarily limited to low water level, undesirable water quality and the presence of migratory birds which

BOARD OF SUPERVISORS
BUDGET ANALYST

prey on and deplete the lake's fishery, the parties to the lease agree that opportunities for generating revenues from fishing and boating at Lake Merced have deteriorated since the lease was originally signed in December of 1986. As such, the parties agree that Urban Parks Concessionaires obligation to pay minimum annual rental guarantee and percentage rent to the City would be changed as follows:

| <u>Gross Annual Revenues</u> | <u>Rent Due</u> |
|------------------------------|---|
| \$0 - \$275,000 | Minimum annual rent of \$5,000 |
| \$275,001-\$300,000 | 1/2 payment of minimum annual rent vs. 12.5% on boat storage 10.0% on boat rental 7.5% on all other services and sales 5% on food and non-alcoholic beverages for all sales from the first dollar |
| \$300,001-\$400,000 | 1/2 payment of minimum annual rent vs. 12.5% on boat storage 10.0% on boat rental 7.5% on all other services and sales 5% on food and non-alcoholic beverages for all sales from \$1 to \$300,000, plus 25% on boat storage 20% on boat rental 15% on all other services and sales 10% on food and non-alcoholic beverages for all sales above \$300,000. |
| \$400,000 and above | full payment of minimum annual rent vs. 25% on boat storage 20% on boat rental 15% on all other services and sales 10% on food and non-alcoholic beverages for all sales from the first dollar. |

The proposed lease amendment would provide for a review of the environmental conditions at Lake Merced every six months and would provide for returning to the original rent amounts, should the environmental conditions of Lake Merced improve sufficiently.

2. Paragraph 10: Maintenance and Repairs by Lessee, would be amended to add a paragraph which would provide that the City would agree to cooperate with Urban Parks Concessionaires in the submission of an application for funding from California Boating and Waterways or any other grant or gift funding, which is mutually agreed upon by the two parties, for preservation and/or redesign of fishing piers. Additionally, the City would agree that Urban Parks Concessionaires financial responsibility for maintenance and/or repair of piers, would be reduced by the amount of any alternative funding obtained.

3. Paragraph 39: Subletting/Assignment, would be amended by adding the following three provisions:

- 1) Urban Parks Concessionaires acknowledges the fact that the proposed amendment pertains exclusively to their company and that they are not to transfer the lease, as amended (except as stated below in paragraph 2), to any other concessionaire.
- 2) If the City identifies any qualified concessionaire that is interested in providing the fishing and boating concession at Lake Merced and is able to pay rent in excess of what is provided for in the proposed amendment to the lease, Urban Parks Concessionaires agrees to (1) pay the City the same amount offered by the qualified concessionaire or (2) transfer their lease to the qualified concessionaire, subject to approval by the Recreation and Park Commission.
- 3) The proposed amendment to the lease, affecting a reduction in rental revenues paid to the City, is not transferrable and would be voided immediately if the lease, as amended, were transferred to any other concessionaire.

Comments:

1. Ms. Lucinda Scanlan, Director of Property Management for the Recreation and Park Department, has provided the following revenue and expenditure data for Urban Parks Concessionaires' Lake Merced operations for the last five calendar years (Ms. Scanlan reports that the City audits the concessionaire's revenues but not the expenditures):

| | <u>1986</u> | <u>1987</u> | <u>1988</u> | <u>1989</u> | <u>1990*</u> |
|-------------------------|-------------|-------------|-------------|-------------|--------------|
| Gross Revenues | \$257,557 | \$250,076 | \$228,273 | \$228,640 | \$229,582 |
| Cost of Sales | 50,559 | 52,061 | 41,533 | 45,283 | 50,027 |
| Salaries | 84,474 | 82,692 | 80,470 | 75,659 | 77,346 |
| Operating Expenses | 47,872 | 37,010 | 35,999 | 38,449 | 48,893 |
| Administrative Expenses | 26,316 | 36,549 | 40,022 | 43,440 | 36,100 |
| Corporate Expenses | 4,905 | 5,595 | 5,195 | 4,836 | 7,374 |
| Rent to City | 40,224 | 34,251 | 31,720 | 19,190 | 15,542 |
| Net Profit (Loss) | \$3,207 | \$1,918 | (\$6,666) | \$1,783 | (\$5,700) |

* Includes actual amounts for the first ten months and estimates for November and December.

2. As reflected above, in the last five years, the rent payments to the City have averaged \$28,185 annually. Based on the proposed revised rent due schedule, the City would only receive the \$5,000 minimum annual rent until the concessionaire's gross annual revenue exceeds \$275,000. The concessionaire has not had gross revenues exceeding \$257,557 during the past five years.

3. The proposed lease amendment initially waived any minimum rent payments to the City. The revised proposed lease amendment, approved by the Recreation and Park Commission, would require an annual minimum rent of \$5,000.

4. The Finance Committee was concerned that the initial proposed lease amendment did not include provision to return to the original rent amounts should the environmental condition of Lake Merced improve. The revised proposed lease amendment, approved by the Recreation and Park Commission, would provide for a review of the environmental conditions at Lake Merced every six months and would provide for returning to the original rent amounts should the environmental conditions of Lake Merced improve sufficiently.

5. Ms. Scanlan states that the reduced water level of Lake Merced is due mainly to the increased use of well water by Daly City. This use by Daly City depletes the water table that feeds Lake Merced. According to Ms. Scanlan, who has conferred with the United States Geological Survey and the State Department of Fish and Game regarding the problems at Lake Merced, the reduced water level may continue even after the current drought is over. As such, Ms. Scanlan reports that the Department does not believe that there is

BOARD OF SUPERVISORS
BUDGET ANALYST

potential for a profit-making boating and fishing concession at this time. Ms. Scanlan advises that unless changes are made in the Urban Parks Concessionaires lease to permit better profitability, Urban Parks Concessionaires could attempt to prematurely terminate the lease based on the existence of unforeseen (act of God) natural conditions over which they had no control. According to Ms. Scanlan, the proposed modifications to the Urban Parks Concessionaires lease are preferable to having no one to serve the Lake Merced fishing and boating activities.

6. Although the Department believes that a termination of the Urban Parks Concessionaires lease could result in having no concessionaire to serve Lake Merced, based on inquiries of the Budget Analyst, the Department has not advertised to determine if there are other qualified concessionaires which would be interested in operating the boating and fishing concession at Lake Merced. However, Department staff have inquired informally as to whether any other qualified concessionaires would be interested in operating this concession. According to Ms. Scanlon, none of the concessionaires contacted indicated any interest in considering the operation of the Lake Merced concession.

7. The Department reports that it intends to submit an amendment of the whole reflecting the changes made in the proposed lease amendment to the Committee at its meeting.

Recommendation: Approval of the proposed ordinance is a policy decision for the Board of Supervisors.

Item 7 - File 97-91-32

The proposed ordinance would amend Chapter 16, Article I, of the San Francisco Administrative Code by amending Section 16.6, establishing procedures for the membership of City and County Boards, Commissions and Departments in certain organizations, by requiring City Boards, Commissions and Department heads to submit annual reports of membership to the Mayor, the Controller, and the Board of Supervisors by May 1 of each year. The proposed annual report would list each and every organization in which the Board, Commission, or Department is a member, the cost to belong to each organization, and whether the cost is included in the Department's approved budget. In addition, this report would identify all organizations in which membership has been approved by the Board and list all organizations in which the Board, Commission, or Department wishes to be a member, including the membership cost for the next fiscal year.

Comments

1. The proposed ordinance would establish a procedure requiring City Departments to provide the Board of Supervisors and the Mayor a clear list of organizations that the Department belongs to as well as a list of those that the Department proposes to join. Along with these lists, the Department would be required to include a statement as to the membership fees of each organization and whether those fees have been included in the Department's current Fiscal Year budget and the proposed budget. The proposed ordinance would require the Departments to submit the list of organizations and membership fees by May 1 of each year.

2. According to the City's Administrative Code, membership fees will be allowed and paid by the Controller only if the membership fees have been specifically appropriated for such purposes and the organization is listed in the City's Administrative Code. Currently, City Departments request authorization from the Board of Supervisors to include new organizations for membership to the City's Administrative Code throughout the fiscal year. Many times, the Department has included the membership fees in the Fiscal Year budget without having received authorization by the Board of Supervisors to belong to the organization. The proposed ordinance would allow the Board of Supervisors and the Mayor to identify all organizations City Departments belong to and the cost associated with those memberships prior to the start of each fiscal year.

Recommendation

Approve the proposed ordinance.

Item 8 - File 121-91-1

1. This item is an ordinance amending Part II, Chapter VIII, Article 24, of the San Francisco Municipal Code (Police Code) by amending Section 2404.1 to increase the fee for a Street Artist Certificate.

2. On April 29, 1991, the Art Commission of San Francisco voted to increase the Street Artist Certificate fee, in order to generate additional funds to support the costs of administering the Street Artist Program for FY 1991-92. The costs for administering the Program are paid for entirely by the Street Artist fees. The Commission reports that for the past three years, the cost for administering the Program has been offset by the Commission's Street Artist Program Fund, which has enabled the present fee to remain at \$230 a year. According to the Commission, the Fund, which consists of unexpended fees collected from prior years, will be depleted at the end of the current fiscal year. As such, the Commission reports that in order to have sufficient funds to support the costs of administering the Street Artist Program for FY 1991-92, it will be necessary to increase the Street Artist Certificate fee. The Commission is proposing that the annual Street Artist fee be increased by \$120 from \$230 a year to \$350 a year, based on 500 Street Artists sharing the Program's projected budget costs of approximately \$175,000 for FY 1991-92.

3. The proposed ordinance would amend Section 2404.1 of the Municipal Code to provide that, the fee for a Street Artist Certificate will be \$87.50 instead of \$57.50 for a three-month period from the date of issuance and \$350 instead of \$230 for a period of one year from the date of issuance.

Comments

1. Mr. Howard Lazar, Director of the Street Artists Program reports that the surplus funds previously available in the Street Artist Program Fund, which were used to offset administrative costs, were the result of (1) salary savings, (2) savings in compensation paid to members of the Street Artists Program Advisory Committee and (3) the Street Artists Program sharing space with the Art Commission rent-free prior to FY 1990-91. Mr. Lazar advises that all three Program positions are now filled as well as four of the five membership positions on the Advisory Committee. Additionally, Mr. Lazar reports that the Street Artists Program along with the Art Commission recently relocated from their rent-free office space at 45 Hyde Street to 25 Van Ness Avenue, where rent is now being charged. The annual rental cost for the Street Artists Program for FY 1990-91 is \$9,204.

2. The proposed increase of \$120 from \$230 a year to \$350 a year for the Street Artist Certificate Fee represents a 52 percent increase.

Recommendation

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 9 - File 156-91-2

Note: This item was continued by the Finance Committee at its meeting of May 15, 1991.

Agency: Private Industry Council of San Francisco, Inc. (PIC)

Item: Resolution approving an expenditure plan for Refugee Employment Social Services and Refugee Targeted Assistance Funds to be administered by the PIC.

At the May 15, 1991 Finance Committee, the PIC submitted an amendment of the whole, which specifies the amount of \$310,605 requested for approval and authorizes the PIC to sign, enter into, and execute the State contract for the funds.

Grant Amount: \$310,605

Local Match: None

Grant Term: January 1, 1991 through September 30, 1993

Source of Funds: Federal Refugee Employment Social Services funds disbursed by the State Department of Social Services (State DSS).

Description: The Private Industry Council, a non-profit organization, administers two sets of refugee funds on behalf of the City. These funds originate from the Federal Office of Refugee Resettlement and are allocated to the City through the State Department of Social Services. The Refugee Employment Social Services funds (RESS) and Refugee Targeted Assistance Program (RTAP) Title VII funds are used to provide employment and training services to refugees who are receiving public assistance.

In March of 1991, the Board of Supervisors approved a resolution approving a revised Refugee County Plan for San Francisco. Based on that County Plan, the PIC issued a request for proposals for organizations interested in providing employment training and placement as well as supportive services to San Francisco refugees receiving cash assistance. The PIC specifically requested proposals for a Central Intake Point (CIP) service to provide assessment, certification, referral and tracking of refugee participants and a proposal for provision of childcare services. The proposed resolution would approve an expenditure plan, totalling \$940,730, which includes the proposed contractors selected through the RFP process.

BOARD OF SUPERVISORS
BUDGET ANALYST

In previous years, the PIC has administered the RESS and RTAP funds separately. For the 1991 Federal Fiscal Year, the State DSS is allowing the PIC to administer the RESS and RTAP funds as a combined grant program. The proposed expenditure plan provides for expenditure of \$940,730 in RESS and RTAP funds, of which the proposed resolution would also approve the acceptance and expenditure of a first allocation consisting of RESS funds in the amount of \$310,605. The State DSS will allocate the remaining \$630,125 of RESS and RTAP funds at a later date.

The PIC has furnished the following plan for expenditure of the RESS and RTAP funds:

| | <u>Contract Function</u> | <u>First Allocation (This Resolution)</u> | <u>Total Budget</u> |
|---|---|---|-------------------------|
| <u>Sources:</u> | | | |
| 1991 RESS funds | | \$310,605 | \$532,000 |
| Estimated 1991 RTAP funds | | | 388,554 |
| Reallocation of 1988 RTAP funds | | _____ | <u>20,176</u> |
| Total Refugee funding | | \$310,605 | \$940,730 |
| <u>Proposed expenditures:</u> | | | |
| PIC Administration | | \$40,379 | \$141,110 |
| Contractual Services: | | | |
| International Rescue Committee | Case Management and CIP | 45,175 | 128,661 |
| Third Baptist Church | Employment Services | 8,115 | 23,113 |
| Mutual Assistance Coordination Council | Vocational English as Second Language, and Employment Services (VESL, ES) | 17,556 | 50,000 |
| Jewish Vocational Services | ES, Vocational Training (VT) | 61,094 | 174,000 |
| Center for Southeast Asian Refugee Resettlement | EUN* | 0 | 30,000 |
| Refugee Employment Assistance Program- Catholic Charities | ES, VT, VESL | 72,629 | 206,853 |
| Children's Council of San Francisco | Childcare services | 14,045 | 40,000 |
| Transportation and Ancillary services† | | 5,967 | 16,993 |
| Conciliation Services to be provided by San Francisco DSS | | 10,533 | 30,000 |
| On-the-Job-Training Set-aside | | <u>35,112</u> | <u>100,000</u> |
| Total | | \$310,605 | \$940,730 |

*Extreme and Unusual Needs may be provided for special identified populations like at-risk youth or other refugees not on cash-assistance.

†Ancillary services includes books, clothings, tools or fees needed for a training assignment.

BOARD OF SUPERVISORS
BUDGET ANALYST

The State DSS allows the PIC to budget up to 15 percent of the total grant for administrative purposes. PIC has allocated a total of \$141,110 (\$40,379 in the first allocation) to administer the grant funds from the total budget of \$940,730. Mr. Greg Marutani, Administrative Services Manager for the PIC advises that the administrative funds would be allocated as follows:

| | |
|---|--------------|
| Staff salaries and fringe benefits | \$105,832 |
| PIC administrative overhead (19% of total) | 26,811 |
| Direct charges consisting of printing and reproduction, computer costs, travel, materials and supplies, and audit costs | <u>8,467</u> |
| Total Administrative costs | \$141,110 |

The proposed expenditure plan includes \$16,993 for transportation and ancillary services (\$5,967 in the first allocation). These funds would be used by the contractor responsible for CIP and case management to provide transportation assistance (MUNI fast passes or transit tokens) to employment programs and other ancillary services, as needed by refugee clients.

According to Mr. Marutani, San Francisco Department of Social Services (DSS) would be allocated \$30,000 (\$10,533 in the first allocation) for cause determination/ conciliation hearings services. Presently, all DSS refugee assistance clients must enter these refugee employment and training programs provided by the PIC. If a client does not attend the program, the service contractors report to DSS the client's non-attendance. DSS conducts cause determination/ conciliation hearings to determine why a client has not participated in an employment and training program.

The PIC has also budgeted \$100,000 (\$35,112 in the first allocation) as a set-aside for On-the-Job-Training (OJT). These OJT funds are used to reimburse employers for extraordinary costs required to train program clients. Employers, who agree to employ clients placed by the various service contractors, must submit invoices detailing the training costs to the PIC.

Comment:

1. The PIC has submitted a Summary of Grant Request for the first allocation of RESS funds (See attachment).

BOARD OF SUPERVISORS
BUDGET ANALYST

2. As noted above, the State DSS allows the PIC to recover the administrative costs of overseeing these grant funds. According to Ms. Eunice Elton, President of the PIC, the grant term began on January 1, 1991, and will end on September 30, 1993. The PIC does not intend to begin contractual services until June 1, 1991. However, the PIC has already provided administrative services on the 1991 grant allocation from January 1, 1991. Therefore, the proposed resolution should be amended to allow PIC to retroactively expend the grant funds from January 1, 1991.

3. Ms. Eunice Elton of the PIC reports that a meeting was held on May 20, 1991 to discuss the proposed item with the Refugee Committee Chairman, three PIC staffmembers, Supervisor Gonzalez, the Legislative Policy Analyst and three representatives from the Mayor's Office. According to Ms. Elton, after considerable discussion at this meeting and subsequent discussion with members of the PIC, if this matter were reconsidered by the PIC a second time, the PIC believes that the same recommendations that are currently before the Finance Committee would be approved. Ms. Elton therefore requests that the Finance Committee or the full Board of Supervisors approve the proposed recommendations or develop the necessary modifications to the proposed allocations, as appropriate.

4. Ms. Elton advises that there are specific State and Federal requirements for the proposed Federal Refugee Employment Social Services funds that are disbursed by the State Department of Social Services. According to Ms. Elton, the currently proposed allocation is in compliance with these requirements.

5. The State DSS requires the Board of Supervisors to approve, by resolution, the acceptance and expenditure of the allocations of RESS and RTAP funds totalling \$940,730. As previously noted, the proposed resolution would approve the acceptance and expenditure of the first allocation of \$310,605. The State will allocate the remaining \$630,125 in separate allocations at later dates. As the State allocates these funds, the PIC will submit corresponding resolutions for Board of Supervisors approval.

Recommendations: Approve the proposed amendment of the whole.

Amend the proposed resolution to allow the PIC to retroactively expend the grant funds as of January 1, 1991.

Approve the proposed resolution as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

SUMMARY OF GRANT REQUEST

File No.: 156-91-2 (RESS)

Grantor: Refugee Immigration Program Branch/DSS Agency: Private Industry Council of San Francisco, Inc.
 Contact Person: Mike White Section: N/A
 Address: 744 'P' Street Contact Person: Greg Marutani/Guillermo Casillas
 Sacramento, CA 95814 Telephone: 621-6853
 Amount Requested: \$310,605 Application Deadline: N/A
 Term: From: January 1, 1991 to: September 30, 1993 Notification Expected: N/A
 Board of Supervisors: Finance Committee -
 Full Board -

Item Description: Request to accept and expend a new allocation grant in the amount of \$310,605 from the period of January 1, 1991 to September 30, 1993 to provide employment and training services.

I. Summary:

To provide employment and training services to refugees receiving public assistance.

II. Outcomes/Objectives:

Training of refugees that leads to employment.

V. Effects of Reduction or Termination of These Funds:

Reduce services for refugees and increase the financial burden for the City and County of San Francisco.

V. Financial Information:

| | Column A Initial | Column B Proposed | Column C Total Grant |
|-----------------------|---------------------|----------------------|-------------------------|
| Subcontract Services: | N/A | \$270,226 | \$270,226 |
| PIC Administration: | N/A | <u>\$40,379</u> | <u>\$40,379</u> |
| Total: | N/A | \$310,605 | \$310,605 |

VI. Data Processing: N/A

VII. Personnel: N/A

FT/CSC N/A

PT/CSC N/A

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

N/A

Will grant funded employees be retained after this grant terminates? If so, how?

N/A

VIII. Contractual Services: Open Bid XX Sole Source _____

Item 10 - File 132-91-3

Department: San Francisco Art Commission

Item: Resolution authorizing the San Francisco Art Commission to apply for and accept, retroactively, and to expend over a three-year period, a \$150,000 grant from the National Endowment for the Arts to be used to support arts education through grants, symposia and apprenticeships; and to support artists in their quest for combined living and studio space through the Art Commission's Arthouse Program.

Grant Amount: \$150,000

Source of Funds: Local Program of the National Endowment for the Arts

Grant Period: July 1, 1991, through June 30, 1994

Project: This project is to support the implementation of the City's Arts Policy Plan. Specifically, the program supports arts education and supports artists in their quest for combined living and studio space. The Art Commission has programmed \$725,345 to support the implementation of the City's Arts Policy Plan over the next three years.

Required Match: \$300,000 in new local public appropriations

Indirect Costs: None (see Comment No. 6)

Comments:

1. Actual award of the grant from the National Endowment for the Arts to the San Francisco Art Commission was made on March 22, 1991. As of the writing of this report, no grant funds have been received by the City.
2. According to Ms. Margie O'Driscoll, Acting Director of the Art Commission, the \$150,000 grant would allow augmentation of the MUNI Bus Shelter Funds set aside for youth arts programming and also would help support artists who need to find combined studio and housing space.
3. Ms. O'Driscoll has stated that this authorizing resolution is being requested on a retroactive basis because at the time of the original grant application in August of 1990, the Art Commission had planned to use the services of the Friends of the Art Commission as a fiscal agent for the grant and it was assumed that approval from the Board of Supervisors was not required. In the interim, the Board of Directors of the Friends of the Art Commission decided to dissolve the organization. Therefore, the grant needs to be processed through the Controller's Office. Ms. O'Driscoll further states that the Art

BOARD OF SUPERVISORS
BUDGET ANALYST

Commission now clearly understands that all grant applications must be approved by the Board of Supervisors.

4. Language in the proposed resolution states that the \$300,000 new local match requirement could be met by the new MUNI Bus Shelter Program set aside for arts programming for youth, the Market Street Beautification Program, annual increases in the funds earmarked for the Symphony POPS concerts, and projected increases in revenues from those concerts. The Board of Supervisors approved Ordinance No. 4-90 (File 97-89-51) in January of 1990 establishing the Market Street Art Maintenance Fund, the Market Street Art Acquisition Fund, and the Youth Arts Fund. That legislation specifies that monies in the Youth Arts Fund shall be used exclusively for providing programs and opportunities for the talents and creativity of young artists. As described in the proposed legislation and according to information provided by the Art Commission, the matching fund requirement of \$300,000 would be exceeded by \$192,345 to total \$492,345, including funds from the Youth Arts Fund, as follows:

| | |
|--------------------------------------|---------------|
| MUNI Bus Shelter Program | \$ 60,000 |
| Market Street Beautification Project | 128,914 |
| Youth Arts Fund | 273,431 |
| Symphony POPS Concerts | <u>30,000</u> |
| Total | \$492,345 |

Ms. Leah Forbes of the Art Commission reports that the proposed matching funds has been approved by the National Endowment for the Arts.

5. The three-year direct cost total of \$725,345 to support the implementation of the City's Arts Policy Plan would be partially funded by this proposed \$150,000 grant and matching funds of \$492,345, as previously described, for a total of \$642,345. The remaining \$83,000 (\$725,345 minus \$642,345) would be funded as shown below.

| | |
|--------------------------|---------------|
| State Grant Funds | \$48,000 |
| San Francisco Foundation | <u>35,000</u> |
| Total | \$83,000 |

6. On May 20, 1991, the Board of Supervisors approved an ordinance (File 97-91-16.1) requiring that all grant resolutions include indirect costs or the reasons why the indirect costs cannot be included in the grant. Ms. Forbes states that no indirect cost amount was negotiated with the National Endowment for the Arts, but that it is possible that the grantor would provide indirect cost funding, if requested.

BOARD OF SUPERVISORS
BUDGET ANALYST

The Budget Analyst believes that the authority to expend funds that would be provided by the requested grant should be withheld until the Art Commission has requested indirect cost funding from the grantor and reported the results of that request to the Board of Supervisors.

- Recommendations:**
1. Amend the proposed legislation to delete the authority to expend funds.
 2. Request that the Art Commission negotiate with the National Endowment for the Arts for funding to cover the City's indirect costs.
 3. Approve the proposed legislation as amended.

Item 11 - File 146-90-78.1

Department: Department of Public Health (DPH),
Community Public Health Services

Item: Resolution rescinding Resolution No. 899-90 authorizing the Department of Public Health (DPH) to accept and expend a Federal grant in the amount of \$1,383,101, and authorizing the DPH instead to accept and expend a Federal grant in the amount of \$1,103,700.

Amount: \$1,103,700

Source of Grant: U.S. Department of Health and Human Services, Centers for Disease Control (CDC)

Grant Period: January 1, 1991 through December 31, 1991

Project: Sexually Transmitted Disease (STD) Control Program

Description: The Board of Supervisors previously approved legislation (Resolution No. 899-90) authorizing the DPH to apply for, accept and expend a Federal grant in the amount of \$1,383,101, to fund the Sexually Transmitted Disease (STD) Control Program. The DPH has now been notified by the Federal government that the City will be allocated \$1,103,700 or \$279,401 less than the \$1,383,101. The proposed resolution would rescind Resolution No. 899-90 which authorized the DPH to accept and expend the originally projected grant amount of \$1,383,701 and instead, authorize the DPH to accept and expend the actual grant amount of \$1,103,700.

The proposed grant funds would be used for the surveillance and control of sexually transmitted diseases among individuals between the ages of 15-45, who are at the highest risk of developing adverse reproduction consequences as a result of contracting a sexually transmitted disease. The STD Control Program, which is located at the San Francisco City Clinic, would provide diagnostic, treatment and epidemiological services for a variety of sexually transmitted diseases including penicillin-resistant Gonorrhea, Syphilis, Chancroid, Chlamydia and AIDS. The STD Control Program will place particular emphasis on Infectious Syphilis, Congenital Syphilis, Chancroid and HIV partner notification.

No. of Persons to be Served: Approximately 31,000 patient visits

BOARD OF SUPERVISORS
BUDGET ANALYST

| Grant Budget: | <u>Salaries - DPH</u> | <u>FTE</u> | |
|----------------------|---|-------------------|----------------|
| | Permanent | | |
| | Senior Disease Control Investigator | 1.0 | \$36,300 |
| | Principal Disease Control Investigator | 1.0 | 42,720 |
| | STD Disease Control Investigators | 6.0 | 207,804 |
| | HIV and Syphilis Disease Control Investigator | 1.0 | 38,994 |
| | Clerk Typist | 5.5 | 140,817 |
| | Sr. Physician Specialist | 0.5 | 43,733 |
| | Epidemiologist II | 1.0 | 47,736 |
| | Computer Systems Manager | 1.0 | 40,400 |
| | Team Leader - Peer Educator | 1.0 | 22,932 |
| | Temporary | | |
| | Peer Educator | 1.0 | 21,771 |
| | Clerk Typist (as needed) | | 5,535 |
| | Overtime | _____ | 500 |
| | Fringe Benefits (@ 26%) | 19 | <u>161,573</u> |
| | Subtotal - Permanent and Temporary Salaries | | \$810,815 |
| | <u>Supplies</u> | | |
| | Gonorrhea Tests (44,000 tests @ \$.50) | | \$22,000 |
| | Chlamydia Tests (20,000 tests @ \$.425) | | 85,000 |
| | HIV and Syphilis Tests | | 1,100 |
| | Computer Supplies | | 1,000 |
| | Office Supplies | | <u>500</u> |
| | Subtotal Supplies | | 109,600 |

BOARD OF SUPERVISORS
BUDGET ANALYST

Educational Materials /Outreach

| | |
|--|--------------|
| Educational videos | \$ 700 |
| Pamphlets/ brochures | 3,403 |
| Posters | 1,005 |
| Slide developing | 200 |
| Safer Sex packets (includes lubricated condoms, safe sex cards, instructional cards and manila envelopes) | 33,085 |
| Advertising (includes radio and printed ads) | 5,492 |
| Printing Costs for City Clinic informational brochures | 6,000 |
| Miscellaneous (includes condom models, reference cards and training materials) | <u>1,300</u> |
| Subtotal Educational Materials/Outreach | \$51,185 |

Equipment

| | |
|---|-----|
| (one desk, one chair and one locked file cabinet) | 300 |
|---|-----|

Training and Travel

| | |
|--|--------------|
| Federal Conferences | \$3,000 |
| Out of State Conferences | 4,678 |
| Mileage (250 miles x .25/mi.x 7 staff x 12 mos.) | 5,250 |
| Auto Usage (\$40/mo. x 6 mos. x 7 staff plus \$45/mo. x 6 mos. x 7 staff) | 3,570 |
| Parking (\$48/mo. x 7 staff x 12 mos.) | 4,032 |
| Lab Support Training | 1,390 |
| Computer Training | <u>2,280</u> |
| Subtotal Training and Travel | 24,200 |

Contractual Services

| | |
|---|--------|
| Computer Programming Support (DM Information Systems, Inc.) | 25,000 |
|---|--------|

BOARD OF SUPERVISORS
BUDGET ANALYST

Other Operating Expenses

| | |
|---|---------------|
| Two Federal Telecommunications Systems Lines (reduced flat rates for long distance calls @ \$80/mo.) | \$960 |
| Fax Machine | 1,200 |
| One Parking Space | 840 |
| Five Radio Pagers | 1,296 |
| HIV and Syphilis Study | |
| Term Purchase Agreement with UCSF Chlamydia Lab for Tests | 45,000 |
| Term Purchase Agreement with Damon Lab for glucose testing | 2,000 |
| Term Purchase Agreement with Linde Gas to purchase liquid nitrogen to ship specimens | 600 |
| Photocopying, Postage and Telephone | 2,605 |
| Rent | 7,659 |
| Participation Fees for HIV and Syphilis Study | 19,000 |
| Computer Maintenance | 500 |
| Fax Maintenance | 240 |
| Miscellaneous (language translators and translators for the deaf at approximately \$50/hr, refreshments for training sessions, etc.) | 700 |
| Subtotal Other Operating Expenses | <u>82,600</u> |
| Total Grant Budget | \$1,103,700 |

Required Match: None

Indirect Costs: None

Comments: 1. Based on the \$279,401 decrease in the proposed grant amount, the DPH is now requesting, under the proposed legislation, that payment of indirect costs connected with this project be waived in order to avoid a reduction in services to program clients. Indirect costs associated with this grant would be approximately \$119,800. The DPH reports that indirect costs in the amount of \$78,200 were waived by the Board of Supervisors last year for this grant program. The \$78,200 represented 70.9 percent of the total \$110,187 in indirect costs associated with this prior-year grant. The remaining \$31,987 in indirect costs was included in the grant program budget. The Budget Analyst believes that the decision as to whether or not indirect costs should be waived

BOARD OF SUPERVISORS
BUDGET ANALYST

again for this grant program, is a policy matter for the Board of Supervisors.

2. Attached is the Health Commission "Summary of Grant Request," as prepared by DPH for the proposed grant funds.

3. Approved summary
of the date of

3. As noted above, the proposed grant has an effective start-up date of January 1, 1991. The DPH reports that expenditures have been incurred against these grant funds. As such, the proposed resolution should be amended to authorize the DPH to accept and expend this Federal grant retroactively.

Recommendation: Amend the proposed resolution to authorize the DPH to accept and expend the proposed Federal grant retroactively and approve the proposed resolution. However, the waiver of indirect costs in connection with this project budget is a policy decision for the Board of Supervisors.

Item No. _____

Health Commission - Summary of Grant Request

Rev. 4/10/90

Grantor Centers for Disease ControlContact Person Clara JenkinsAddress 255 E. Paces Ferry Rd.Atlanta, Ga. 30305Amount Requested \$ 1,103,700Term: From 1/1/91 To 12/31/91

Health Commission _____

Board of Supervisors: Finance Committee _____

Full Board _____

Division CPHS/Communicable DiseaseSection STD ControlContact Person Wendy WolfTelephone 864-8100Application Deadline 9/7/90Notification Expected 10/31/90

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) (Circle appropriate words) grant in the amount of \$1,103,700 from the period of 1/1/91 to 12/31/91 to provide STD Control services.

II. Summary: (Context/history; need addressed; number + groups served; services and providers)

Continuation funds to provide for the surveillance, investigation and treatment of a variety of sexually transmitted diseases (STD), with an emphasis on infectious syphilis, congenital syphilis, chancroid and HIV partner notification.

III. Outcomes/Objectives:

- To reduce the overall incidence of STD, with a focus on high risk minorities
- To decrease the number of repeat STD visits (more than 1 visit in 12 months) by 10%.
- To establish and maintain an active surveillance system for all STD

IV. Effects of Reduction or Termination of These Funds:

San Francisco has some of the highest STD rates in the nation. In 1990, syphilis rates skyrocketed, particularly in the black community. Without this funding, STD services would need to be curtailed, and we would be unable to effectively monitor and respond to disease outbreaks.

V. Financial Information:

| | Col. A | Col. B | Col. C | Col. D | Req. Match | Approved by |
|------------------|------------------|------------------|------------------|----------------|------------|-------------|
| | Two Years Ago | Past Year/Orig. | Proposed | Change | | |
| Grant Amount | <u>1,001,233</u> | <u>1,115,564</u> | <u>1,103,700</u> | <u>-11,864</u> | _____ | _____ |
| Personnel | <u>558,916</u> | <u>777,111</u> | <u>810,815</u> | <u>+33,704</u> | _____ | _____ |
| Equipment | <u>40,475</u> | <u>3,000</u> | <u>300</u> | <u>- 2,700</u> | _____ | _____ |
| *Contract Svc. | <u>44,150</u> | <u>52,212</u> | <u>25,000</u> | <u>-27,212</u> | _____ | _____ |
| Mat. & Supp. | <u>82,118</u> | <u>156,174</u> | <u>160,785</u> | <u>+ 4,611</u> | _____ | _____ |
| Facilities/Space | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | _____ | _____ |
| Other | <u>188,920</u> | <u>95,080</u> | <u>106,800</u> | <u>-12,480</u> | _____ | _____ |
| Indirect Costs | <u>86,654</u> | <u>31,987*</u> | <u>waived</u> | <u>-31,987</u> | _____ | _____ |

*DPH received a waiver of a portion of the indirect costs associated with the prior year grant. The actual indirect cost amount was \$110,187.

VI. Data Processing

(costs included above) 31,475 0 0 0 _____

VII. Personnel

| | | | | | |
|-------------|-----------|-----------|-----------|-----------|-------|
| F/T CSC | <u>11</u> | <u>17</u> | <u>18</u> | <u>+1</u> | _____ |
| P/T CSC | <u>1</u> | <u>2</u> | <u>2</u> | <u>0</u> | _____ |
| Contractual | _____ | _____ | _____ | _____ | _____ |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
N/A

Will grant funded employees be retained after this grant terminates? If so, How?
No

*VIII. Contractual Services: Open Bid _____ Sole Source X (if sole source, attach Request for Exemption Form)

Item 12 - File 146-90-110.1

Department: Department of Public Health (DPH),
AIDS Office

Item: Resolution authorizing the DPH to accept and expend an
augmentation to a Federal grant.

Grant Amount: \$12,652

Grant Period: January 1, 1991 to December 31, 1991

Source of Funds: U. S. Department of Health and Human Services, Centers
for Disease Control

Required Match: None

Project: AIDS Surveillance

Project Description: The Board of Supervisors authorized the DPH to accept and
expend an AIDS Surveillance and Seroprevalence project
continuation grant of \$1,685,616 (File No. 146-90-110) on
February 5, 1991. The proposed augmentation funds would
be used by DPH to continue with the surveillance
component of the original project. Surveillance would
include the identification of incidence trends and risk
groups. DPH would continue to be responsible for
administering this project and for providing direct
services.

**No. of Persons:
to be Served:** To serve all residents of San Francisco.

Grant Budget:

| | Current <u>Budget</u> | Proposed Augmentation <u>Budget</u> | Total <u>Budget</u> |
|------------------------|--------------------------|---|------------------------|
| Personnel (24.75 FTE) | \$ 882,801 | | \$882,801 |
| Fringe Benefits | 229,529 | | 229,529 |
| Materials and Supplies | 100,324 | \$2,240 | 102,564 |
| Rent | 30,189 | 4,062 | 34,251 |
| Contractual | 210,008 | | 210,008 |
| Other | 42,113 | 3,150 | 45,263 |
| Travel | 9,892 | 3,200 | 13,092 |
| Indirect Costs | <u>180,760</u> | <u> </u> | <u>180,760</u> |
| Total | <u>\$1,685,616</u> | <u>\$12,652</u> | <u>\$1,698,268</u> |

BOARD OF SUPERVISORS
BUDGET ANALYST

Indirect Cost Rate: None.

Comments:

1. On May 20, 1991, the Board of Supervisors approved an ordinance (File 97-91-161) requiring that all grant resolutions include indirect costs or the reasons why the indirect costs cannot be included in the grant. According to Ms. Maria Lemus of the DPH, the proposed augmentation grant does not include indirect costs because the augmentation does not affect personnel or contractual costs. These costs are the basis for determining indirect costs for this grant. The original grant included indirect costs of \$180,760 which is 20 percent of personnel costs plus 2 percent of contractual costs from the initial grant funds.

2. Ms. Lemus states that the proposed augmentation budget restores budget items that were originally reduced or eliminated to the balances initially requested. Specifically, rent costs are included in the augmentation budget to increase the square footage allocation per full time employee from 96 to 120 square feet. According to Ms. Lemus, 120 square feet is the standard amount of square footage allocated to an employee in similar types of grant programs. If this rent augmentation had not been received one of the other funding sources for another AIDS project would have been used to pay this additional cost for rent.

The additional \$3,150 budgeted for Other includes the following:

| | |
|---|----------------|
| Insurance & maintenance agreements on computer equipment | \$1,250 |
| Postage, equipment leases, computer accounts | <u>1,900</u> |
| Total Other | <u>\$3,150</u> |

3. Included in the \$3,200 of travel cost are \$2,000 for an International AIDS Conference in Florence, Italy which is restricted pending written approval from the Center of Disease Control (CDC) and \$1,200 for a National AIDS Surveillance/AIDS-Related Syndrome Workshop in Atlanta, Georgia, which has been approved by the CDC.

4. The grant period of January 1, 1991 to December 31, 1991 corresponds to the original grant. Augmentation funds will not be received until this resolution is passed authorizing the acceptance and expending of the augmentation.

BOARD OF SUPERVISORS
BUDGET ANALYST

5. Attached is the Health Commission's "Summary of Grant Request" as prepared by the DPH.

Recommendation:

Approve the proposed resolution. However, the waiver of indirect costs while the DPH proposes to include \$3,200 of travel costs for a conference in Atlanta, Georgia and a conference in Florence, Italy in connection with this augmentation grant is a policy decision for the Board of Supervisors.

Item 13 - File 146-91-35

Department: Department of Public Health (DPH)
Community Public Health Services

Item: Resolution authorizing the Department of Public Health to accept and expend a continuation State grant for provision of family planning services to the residents of San Francisco, and to authorize the expenditure of grant funds to establish and finance Civil Service positions for the provision of these services.

Grant Amount: \$350,600

Source of Funds: California Department of Health Services, Office of Family Planning

Grant Period: July 1, 1991 through June 30, 1992

Project: Family Planning Services

Description: The Board of Supervisors authorized the DPH to apply for the proposed grant (File 146-90-116) on February 5, 1991. The proposed grant would be used to continue providing family planning and pregnancy testing services to San Francisco's low-income, ethnically diverse women between the ages of 15 and 44. In addition, the proposed grant funds would be used to begin providing infertility services. The infertility services would use existing staff, and be offered at Health Center #4, which is located in the Chinatown-North Beach area of the City. Currently, the only resource for low-income couples seeking infertility services is the Infertility Clinic at San Francisco General Hospital, which offers services to couples only once a week.

No. of Persons Served: Approximately 13,350 individuals (primarily women), and infertility services to approximately 35 couples

Project Budget:

| | |
|------------------------------|---------------|
| <u>Personnel (5.5 FTEs)</u> | |
| Clinical Nurses (3.0 FTEs) | \$130,224 |
| Health Worker III (2.0 FTEs) | 61,992 |
| Health Worker I (.5 FTEs) | 14,500 |
| Fringe Benefits | <u>53,284</u> |
| Total Personnel | 260,000 |

BOARD OF SUPERVISORS
BUDGET ANALYST

| | |
|-------------------------------------|------------------|
| <u>Contractual Services</u> | |
| Cytology | 33,000 |
| Pharmacy | 29,000 |
| Consulting Services | <u>5,000</u> |
| Total Contractual Services | 67,000 |
| <u>Materials & Supplies</u> | 19,000 |
| <u>Other</u> | 2,000 |
| <u>Indirect Costs</u> | <u>2,600</u> |
| Total Project Budget | \$350,600 |

Required Match: None.

Indirect Costs: \$2,600 or one percent of Personnel.

Comments: 1. Mr. Steve Purser of the DPH reports that an additional proposed .5 FTEs have been added in the proposed grant budget because of the new infertility services which would be provided with the proposed grant. However, Mr. Purser also reports that the currently proposed grant budget does not assume salary standardization increases for FY 1991-92. If salary standardization increases are approved for FY 1991-92, then the DPH would not fill the additional proposed .5 FTE Health Worker I position and the new infertility services would be redistributed among existing DPH grant-funded staff. The additional .5 FTE Health Worker I position is an existing vacant DPH position.

2. The \$2,000 budgeted for Other would be used for mileage and transit reimbursement for DPH staff to travel within the City between Health Center sites, and for travel to State mandated conferences and workshops to enhance professional and technical skills. Mr. Purser reports that the State has not yet identified what conferences and workshops would be required for FY 1991-92.

3. The \$19,000 budgeted for Operating Materials and Supplies would be for the bulk purchase of contraceptives and medications for family planning services at the District Health Centers. As noted above, contraceptives and medications would be provided to approximately 13,350 individuals.

4. As reflected in the above budget, the \$67,000 budgeted for Contractual Services would include cytology services, which is the diagnosis of cervical cells for cancer, pharmacy services, and consulting services. Mr. Purser reports that

BOARD OF SUPERVISORS
BUDGET ANALYST

the cytology services contract would be for the laboratory analysis of pap-smears, and the pharmacy services contract would include repackaging and relabeling of contraceptives which are bought in bulk. Mr. Purser also reports that the DPH provided for a \$5,000 consulting services contract in FY 1990-91 for an analysis of various pregnancy services needs. Although \$5,000 is budgeted for consulting services in the proposed grant, to date, the DPH has not yet determined whether or not a consulting services contract for FY 1991-92 would be awarded. If the DPH decides not to use the budgeted \$5,000 for consulting services, Mr. Purser reports that the funds would be used for either additional cytology or pharmacy services. Mr. Purser also reports that none of the contracts would be awarded on a sole-source basis, and the DPH is currently issuing a Request for Proposal (RFP) for the cytology and pharmacy services. Since the DPH has not yet completed the RFP process or finalized costs for the proposed contracts, the Budget Analyst recommends that the \$67,000 budgeted for Contractual Services be placed on reserve pending identification of the contractors and finalized cost details of these contracts.

5. The proposed resolution authorizes the DPH to accept and expend a State grant, and "to authorize the expenditure of grant funds to establish and finance Civil Service positions for the provision of these services." The Controller's Office reports that the additional clause regarding Civil Service positions was intended to be used for grants which create new Civil Service positions. All of the proposed grant-funded positions are existing positions within the DPH. Since the proposed grant does not establish any new Civil Service positions but rather finances existing DPH positions, the proposed resolution should be amended to delete the "to establish" clause from the proposed resolution.

6. The proposed grant of \$350,600 for FY 1991-92 is \$30,000 more or 9.4 percent more than the grant amount of \$320,600 received in FY 1990-91. Mr. Purser reports the increase in \$30,000 can be attributed to the infertility services which the DPH would begin providing with the proposed grant, including the additional .5 FTE Health Worker I.

7. Mr. Purser reports that if the grant funds are reduced or terminated, then the grant funded positions would be similarly reduced or terminated.

8. Attached is the Health Commission's "Summary of Grant Request," as prepared by the DPH for the proposed grant.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
May 22, 1991

Recommendation: Amend the proposed resolution to (a) reserve the \$67,000 budgeted for contractual services, pending identification of the contractors and finalized cost details of these contracts, and (b) delete the "to establish" clause. Approve the proposed resolution as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

Grantor State of California
 Contact Person Gail Koester
 Address 714 "P" Street
Sacramento, CA 95814

Division CPHS
 Section Family Health
 Contact Person Stephen Purser
 Telephone (415) 554-2569
 Application Deadline December 14, 1990
 Notification Expected March, 1991

Amount Requested \$ 350,600
 Term: From 7/1/91 To 6/30/92

Health Commission Board of Supervisors: Finance Committee
 Full Board

I. Item Description: Request to (apply for) (accept and expend) a ~~(new)~~ (continuation) (renewal) (extension) grant in the amount of \$ 350,600 from the period of 7/1/91 to 6/30/92 to provide Comprehensive Family Planning services.

II. Summary: (Concise summary of activities, services, and products)

This grant will enable the continuation of family planning and pregnancy testing services to San Francisco residents. The target population consists of low-income, ethnically diverse women ages 15-44. Services will be provided at various Health Department District Health Centers.

III. Outcomes/Objectives:

To provide medical examinations and contraceptive supplies in compliance with OFP requirements for approximately 13,350 visits.

IV. Effects of Reduction or Termination of These Funds:

Increase in numbers of unintended pregnancies and increase in sexually transmitted disease with concomitant effects on fertility.

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Year/Orig. | Col. C Proposed | Col. D Change | Req. Match | Approved by |
|------------------|-------------------------|---------------------------|--------------------|------------------|------------|-------------|
| Grant Amount | <u>264,184</u> | <u>320,600</u> | <u>350,600</u> | <u>+\$30,000</u> | | |
| Personnel | <u>206,063</u> | <u>241,114</u> | <u>260,000</u> | <u>+ 18,886</u> | | |
| Equipment | <u>0</u> | <u>100</u> | <u>0</u> | <u>- 100</u> | | |
| Contract Svc. | <u>44,911</u> | <u>55,000</u> | <u>67,000</u> | <u>+ 12,000</u> | | |
| Mat. & Supp. | <u>7,925</u> | <u>18,775</u> | <u>19,000</u> | <u>+ 225</u> | | |
| Facilities/Space | <u>0</u> | <u>0</u> | <u>0</u> | | | |
| Other | <u>2,000</u> | <u>3,200</u> | <u>2,000</u> | <u>- 1,200</u> | | |
| Indirect Costs | <u>2,050</u> | <u>2,411</u> | <u>2,600</u> | <u>+ 189</u> | | |

VI. Data Processing

(see included sheet)

VII. Personnel

| | | | | | |
|-------------|------------|------------|------------|-------------|--|
| FT CSC | <u>7.0</u> | <u>5.0</u> | <u>5.0</u> | <u>+ .0</u> | |
| PT CSC | <u>.5</u> | | <u>.5</u> | <u>+ .5</u> | |
| Contractual | <u>2.5</u> | <u>2.5</u> | <u>2.0</u> | <u>- .5</u> | |

source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
One-half time from federal AIDS Education grant.

VIII. grant funded employees be retained after this grant terminates? If so, How?

Grant will probably not be reduced or terminated; if it is, employee's time would be reduced or employee would be terminated.

VIII. Contractual Services: Open Bid X Sole Source (If sole source, attach Request for Proposals Form)

Item 14 - File 146-91-38

Department: Department of Public Health (DPH)
Community Substance Abuse Services

Item: Resolution authorizing the Department of Public Health, Community Substance Abuse Services, to apply for a new grant to develop a demonstration project for youth who are considered high-risk for substance abuse.

Grant Amount: Up to \$549,383

Grant Period: June 30, 1991 through June 30, 1996

Source of Funds: State Department of Alcohol and Drug Programs

Description: The proposed grant funds would be used to provide substance abuse treatment services to multi-cultural youth in San Francisco at the Westside Community Mental Health Center, Inc. and at the Booker T. Washington Community Center. The proposed grant would provide outpatient substance abuse through counseling, prevention, information, education and referral services. The DPH reports that these two centers are located in minority neighborhoods where multi-cultural youths could be targeted.

Required Match: None.

Indirect Costs: \$10,988, or approximately two percent of the total grant.

Comments:

1. Mr. Jim Curtis of the DPH reports that the DPH will provide a detailed budget for the proposed grant when the DPH requests permission from the Board of Supervisors to accept and expend the proposed grant. However, the DPH anticipates that the entire \$549,383 would be spent on contractual services to provide substance abuse outpatient services to high-risk youth at the Westside Community Mental Health Center, Inc. and at the Booker T. Washington Community Center. The DPH reports that a sole source request will be submitted when the DPH requests permission from the Board to accept and expend the proposed grant.
2. According to Dr. Wayne Clark of the DPH, the DPH will receive a portion of the proposed grant funds over the next five years. Based upon preliminary notification from the State, the DPH anticipates that the grant funds would be awarded as follows:

BOARD OF SUPERVISORS
BUDGET ANALYST

| | |
|------------|---------------|
| FY 1991-92 | \$161,583 |
| FY 1992-93 | 138,500 |
| FY 1993-94 | 110,800 |
| FY 1994-95 | 83,100 |
| FY 1995-96 | <u>55,400</u> |

| | |
|-------|-----------|
| Total | \$549,383 |
|-------|-----------|

3. As reflected above, the amount of grant funds would be reduced each year over the five year grant period. Dr. Clark reports that the DPH anticipates identifying other funding sources to maintain the level of services throughout the grant period.

4. Ms. Lucille Burlew-Lawler of the DPH reports that the DPH uses two percent of contractual services for indirect costs for the DPH's Community Substance Abuse Services division. Since the proposed grant would be used entirely for contractual services, indirect costs would be included as two percent, or approximately \$10,988 of the proposed grant of \$549,383.

5. Mr. Curtis reports that the DPH has not yet applied for the proposed grant, but the DPH anticipates applying for the proposed grant before the application deadline of May 31, 1991.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 15 - File 153-91-4

Department: Department of Social Services (DSS)

Item: Resolution authorizing the Department of Social Services to apply for participation in, accept and expend a new State grant.

Grant Amount: Maximum of \$159,348

Source of Grant: State Department of Social Services, Foster Care Program Bureau

Grant Period: May 1, 1991 to June 30, 1992

Project: Family Maintenance Substance Abuse Treatment Project

Project Description: The Family Maintenance Substance Abuse Treatment Project is a pilot program established by State AB 3490. Under the provisions of AB 3490, licensed residential substance abuse treatment facilities will receive foster care payments to purchase special child care and enrichment programs for children residing with their parents in residential treatment programs.

The DSS advises that, in order for residential treatment facilities to be eligible for AB 3490 grant funds, children residing in the facilities must (1) be declared dependents of the court and (2) have a parent that has been ordered by the court to reside in a substance abuse treatment facility as a condition of family maintenance. The reimbursement for each eligible child would be \$271 per month.

The Department of Social Services would be responsible for monitoring and evaluating the Project and for disbursing the AB 3490 grant funds to the residential treatment facilities. DSS advises that these monitoring and evaluation services would be provided on an in-kind basis by existing departmental staff. The DSS has identified the following four licensed residential treatment programs serving women and their children to participate in the pilot project:

Aviva House

This program provides comprehensive services to substance (alcohol and drugs) addicted women. The program offers residential treatment services to six women and six children.

BOARD OF SUPERVISORS
BUDGET ANALYST

OSAP House

This program provides alcohol and drug treatment services to women. The program offers residential treatment services to 15 women and 15 children.

Phoenix House

This program provides comprehensive substance abuse services for poly-drug using women. The program primarily serves women addicted to crack cocaine. The program offers residential treatment services to 14 pregnant women and 10-12 children under the age of six.

Pomeroy House

This program provides comprehensive alcohol recovery services. The program offers residential treatment services to eight women and 11 children.

The DSS reports that the Department chose to limit the pilot project to residential treatment programs for women, because (1) women are generally awarded custody over their children and (2) there are only a few residential treatment programs for women, which results in a large percentage of their children being raised in either substance abusing households or foster care homes. The four projects noted above, are the only licensed residential treatment facilities for women in the City.

The DSS's program goals for the Family Maintenance Substance Abuse Treatment Project are to (1) increase the number of children in family maintenance, (2) reduce foster care expenditures, and (3) improve the health and welfare of children with substance abusing parents.

Project Budget:

As noted above, each eligible child in a participating treatment facility would be entitled to a reimbursement of \$271 per month or \$3,252 annually. The proposed \$159,348 would fund the annual reimbursement cost of \$3,252, for 42 children, for a period of 14 months.

**No. of Persons
to be Served:**

A maximum of 42 children, at any given time.

Required Match:

None

Indirect Costs:

None - the State advised that AB 3490 grant funds may not be used to pay for administrative overhead costs. AB 3490 grant funds are supplemental AFDC payments which can only be expended for direct services for eligible children in residential treatment facilities.

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments:

1. The DSS reports that under the provisions of AB 3490 the Family Maintenance Substance Abuse Treatment Project would be funded for a period of 32 months, for a total maximum grant allocation of \$364,224. The proposed grant amount of a maximum of \$159,348 represents funding for the first 14 months of the pilot program. The remaining \$204,876 would be awarded for the last 18 months of the program. DSS hopes that at the end of the 32-month period that the State will choose to continue the project based on positive project evaluations.
2. The DSS reports that the Department has already applied for this State grant. Therefore, the proposed resolution should be amended to authorize the DPH to apply for this State grant retroactively.
3. As noted above the proposed grant has an effective date of May 1, 1991. However, the DSS advises that no expenditures have been incurred against the proposed grant funds.
4. DSS has been notified by the State that it will receive a maximum amount of \$159,348. However, the actual level of reimbursement will be contingent upon the number of eligible children residing in the four residential treatment facilities which have been designated as participants in the pilot program.
5. Attached is the "Summary of Grant Request" as prepared by the DSS for this State grant.

Recommendation:

Amend the proposed resolution to authorize DPH to apply for the proposed State grant retroactively and approve the proposed resolution.

Item No.: _____

Date: April 3, 1991SOCIAL SERVICES COMMISSION - SUMMARY OF GRANT REQUEST

Foster Care Program Bureau
 Grantor State Dept. of Social Services
 Grantor Contact Person Jackie Rodriguez
 Address 744 P Street
Sacramento, CA 95814
 Amount (Requested/Approved) \$159,348
 Term From 5/1/91 To 6/30/92

DSS Program Family & Children Services
 Program Contact Person Carla Javits
 DSS Contract Manager None
 Telephone (415) 557-6333

Source of Funds: Federal/State/Other _____

Board of Supervisors: Finance Committee: Date _____

I. Action:
 Request to (apply for) (accept and expend) a (new) (continuation) grant in the amount of
\$ 159,348 for the period beginning 5/1/91 to 6/30/92
 to provide special child care provision services.
enrichment programs.

II. Purpose of grant: To enable licensed residential substance abuse treatment
facilities to purchase special child care provision and enrichment programs
for children residing in residential treatment facilities with their mothers.

III. Outcomes/Objectives: (including number of clients to be served)
DSS' objectives are to: (1) reduce foster care expenditures; (2) increase the
number of children in family maintenance and (3) improve the health and welfare
of children with substance abusing parents. A maximum of 42 children will
be served at one time.

IV. Effects of reduction/termination of these funds:
Would make it more difficult for DSS to maintain family units.

V. Expenditures:

| | <u>Col. A</u> (Last Fiscal Year) | <u>Col. B</u> (Current Year if Any) | <u>Col. C</u> (Proposed) | <u>Col. D</u> (Change) | <u>Req. Match</u> |
|------------------|---|--|-----------------------------|---------------------------|-------------------|
| Grant Amount | | | <u>\$159,348</u> | | |
| Personnel | | | <u>0</u> | | |
| Equipment | | | <u>0</u> | | |
| Contracts | | | <u>0</u> | | |
| Mat. & Supplies | | | <u>0</u> | | |
| Facilities/Space | | | <u>0</u> | | |
| Other | | | <u>0</u> | | |
| Indirect Costs | | | <u>0</u> | | |

VI. City Civil Service Personnel: N/A

No. & Class _____
 No. & Class _____

VII. Brief description of service to be purchased by contract:N/AVIII. Contractual Services: Open Bid N/A Sole Source N/A

Item 16 - File 7-91-4

Department: Public Utilities Commission (PUC)
Municipal Railway (MUNI)

Item: Resolution approving a five-year transit advertising agreement with Transportation Displays, Incorporated to manage the Municipal Railway's Transit Advertising Program.

Description: The proposed resolution authorizes the General Manager of the PUC to sign a five-year agreement, with a three-year option to extend the agreement, with Transportation Displays, Incorporated (TDI) to manage the Municipal Railway's transit advertising program, from July 1, 1991, through June 30, 1996.

The primary provisions of the proposed agreement and the changes as compared to the City's current agreement are summarized as follows.

- **PERCENTAGE PAYMENTS** - The Municipal Railway will receive monthly payments equal to 65 percent of all gross billings (after agency commissions are paid) or the monthly minimum annual guarantee, whichever is greater.

CHANGE: None.

- **MINIMUM ANNUAL GUARANTEE** - The minimum annual guarantees offered by TDI, including minimum payment amounts for vehicle advertisements and the \$100,000 minimum payment amount for MUNI Metro platform electronic sign display system (called PDSS) advertising, are as follows:

Fiscal Year

| | |
|---------|------------------|
| 1991-92 | \$1,800,000 |
| 1992-93 | 1,650,000 |
| 1993-94 | 1,800,000 |
| 1994-95 | 1,950,000 |
| 1995-96 | <u>2,300,000</u> |
| Total | \$9,500,000 |

These minimum annual guaranteed payments would be adjusted each year by the Consumer Price Index.

BOARD OF SUPERVISORS
BUDGET ANALYST

The minimum annual guarantee amounts for vehicle advertisements would also be adjusted by a formula according to changes either in the number of vehicles available for advertising or the authorized number of advertising spaces.

CHANGE: The minimum annual guarantee for vehicle advertisements during the first three years of the new contract would vary by \$300,000 to \$450,000 less than the current annual guarantee of \$2,100,000, including the \$100,000 minimum annual guarantee which would not change.

- PAYMENTS - Payments would be made monthly and are based on billings, not collections. Payments earned in any one month would be due no later than the 20th day of the following month. Each month's payment would either be 65 percent of gross billings (after agency commissions are paid) or 1/12 of the minimum annual guarantee, whichever is greater. The total amount due at the end of each year would be the sum total of 12 monthly payments. The only authorized deductions from this amount would be bad debts, as defined in the agreement. Notwithstanding bad debts, or any other deductions, annual payments would not be less than the combined total of vehicle and PDSS minimum annual guarantees.

CHANGE: None.

- ADVANCE PAYMENT - Upon execution of the agreement, TDI would make an immediate payment of \$200,000 to MUNI, in the form of a cashier's or certified check. This payment would be credited toward TDI's first year's payments to the City, as they become due.

CHANGE: Increased from \$150,000 to \$200,000.

- BAD DEBTS - Deductions for bad debts would only be made once a year, at the time of the annual reconciliation, for bills 90 days or more in arrears that have been formally declared non-collectable by TDI.

CHANGE: Formal declaration would be required.

- LETTER OF CREDIT - TDI will be required to obtain an irrevocable Letter of Credit Security Deposit in the amount of \$1,425,000 (equal to 75 percent of the yearly average of the vehicle and PDSS minimum annual guarantees) over the five-year term of the agreement. Said letter of credit would be made in favor of the City and County of San

BOARD OF SUPERVISORS
BUDGET ANALYST

Francisco. It would be established concurrently with the effective date of the agreement, and it shall provide for automatic extensions throughout the term of the agreement.

CHANGE: Existing letter of credit is set at \$2 million. New requirement would set the amount at 75 percent of the yearly average minimum annual guarantees.

- **MUNICIPAL RAILWAY EMPLOYEE RECOGNITION PROGRAM** - TDI would contribute \$30,000 each year of the contract to the Municipal Railway Employee Awards Fund. Contributions would be made in five monthly installments at \$6,000 per month.

CHANGE: Contribution increased from \$10,000 to \$30,000.

- **MUNI MARKETING AND PROMOTION** - Providing that the MUNI General Manager gives 65 days advance notice to TDI, the City would have the right to the exclusive use of no more than ten percent of each type of exterior advertising space and ten of the 11" x 42" interior car cards in each MUNI vehicle, to market and promote MUNI services. The City would also have the right to use any unsold advertising space for the same purposes. In both cases, TDI would install, maintain and remove the City's advertising free of charge.

CHANGE: None.

- **EMPLOYEE RECOGNITION PROGRAM** - TDI is expected to play a major support role for this program. In addition to a financial contribution, described in the previous section, TDI would provide three trips for two persons to Hawaii per year. Each trip shall include two round-trip airline tickets, accommodations for a five-night stay at a deluxe hotel or condominium, plus a rental car for five days. In addition, TDI would provide four Nights Out On-The-Town for two persons, monthly, including dinner, theater or concert tickets and chauffeured limousine service for the evening. TDI would be officially recognized by MUNI for its contributions.

CHANGE: Hawaiian trips increased from two to three.

- **TERM AND OPTION PERIOD** - The term of the agreement would be for five years commencing on July 1, 1991, and ending June 30, 1996. If TDI and the City mutually agree, the agreement may be extended for an additional three-year period.

BOARD OF SUPERVISORS
BUDGET ANALYST

CHANGE: Based on fiscal year rather than calendar year.

- RIGHTS GRANTED - The City has authorized advertising rights as specified in the proposed agreement; however, the City warrants and represents that TDI would only have the exclusive right to place such advertising as may be authorized. The City would not warrant or represent that any particular level of advertising, or advertising on all vehicles, would be authorized during any particular period of time covered by the agreement.

CHANGE: None.

- AUDITS - An audit will be conducted each year by a certified public accountant (CPA) selected by the PUC. TDI would pay half the cost of this audit. TDI would be required to make available at its New York or San Francisco office all records of the company necessary for a CPA to conduct the annual audit.

CHANGE: An audit would be allowed at the New York office of TDI, where it retains most of its financial records.

- OWNERSHIP AND MAINTENANCE OF EQUIPMENT - TDI, at its own expense, would furnish all new displays, racks, space frames and other such equipment. TDI would also reimburse the City for any such equipment installed at City's expense by a supplier of new or rebuilt vehicles. The City would retain full title and ownership rights to all of this equipment.

CHANGE: None.

- NONDISCRIMINATION, AFFIRMATIVE ACTION, AND DISADVANTAGED BUSINESS ENTERPRISE FIVE-YEAR PLAN - TDI would: (a) comply with all provisions of Chapter 12B of the San Francisco Administrative Code, regarding nondiscrimination; (b) support the policies stated in Chapter 12D of the San Francisco Administrative Code regarding Minority/Women/Local Business Enterprises and (c) support the policies and Resolution Nos. 78-0022 and 78-0071 of the Public Utilities Commission of the City and County of San Francisco, regarding Affirmative Action and Disadvantaged Business Enterprises (DBE).

TDI would have in force an approved Five-Year Plan delineating specific actions TDI proposes to take, along

BOARD OF SUPERVISORS
BUDGET ANALYST

with an implementation schedule. Progress reports demonstrating compliance with the goals and objectives of this plan would be submitted to the PUC's Contract Compliance Officer every 90 days.

TDI would be encouraged to extend its DBE commitments to the installation and repair of advertising frames, carding and posting of advertisements, real estate brokering, employment and placement services, insurance brokering, legal and accounting services, printing, photography, graphic design, and the provision of office equipment and supplies. TDI would be also encouraged to make an effort to contract with DBEs that have San Francisco offices.

CHANGE: TDI has prepared a five-year plan which would be the basis of a negotiated set of Affirmative Action/DBE goals.

Comments:

1. Request for Proposals were distributed to 31 individuals and 16 companies. Advertisements requesting proposals were placed in eight publications, including a number of ethnic papers, several trade magazines and the San Francisco Examiner. A pre-proposal conference was held in February, 1991 at which representatives from ten companies attended. TDI, MUNI's current advertising contractor, submitted the only proposal.
2. The PUC directed that the proposed contract exclude advertisements promoting tobacco and alcohol products. Under the terms of the new agreement, which excludes tobacco and alcohol products from being advertised on MUNI vehicles beginning January 1, 1992, the City would be paid a minimum guarantee of \$9,500,000 over the five years of the contract. The proposed annual guarantees through the first three years of the new agreement are \$300,000 to \$450,000 less than TDI's current annual guarantee of \$2,100,000 to the City. This reduction in the annual guarantee is less than the \$760,000 of revenue from the sale of tobacco and alcohol advertising that has been paid annually to MUNI by its advertising broker over the last four years. By the fifth year of the contract the guarantee would exceed the present guarantee.
3. TDI's projection of sales indicates that by the fourth year of the new agreement, sales would reach \$3,460,000 surpassing sales in 1990 of \$3,209,151.

Memo to Finance Committee
May 22, 1991

Recommendation: The approval of the proposed contract which would change the existing contract to exclude revenues from advertisements promoting tobacco and alcohol products and result in an average reduction of approximately \$200,000 annual revenues to the City is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 17 - File 25-91-20

Department: Public Utilities Commission

Proposed Action: Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-I (Proposition J) that certain services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

Services to be Performed: Paratransit Services

Description: The Controller has determined that contracting for these paratransit services in fiscal year 1991-92 would result in estimated savings as follows:

| | Lowest Salary <u>Step</u> | Highest Salary <u>Step</u> |
|------------------------------------|---------------------------------|----------------------------------|
| <u>City Operated Service Costs</u> | | |
| Salaries and Fringe Benefits | \$7,510,540 | \$8,133,431 |
| Operating Expenses | <u>291,586</u> | <u>291,586</u> |
| Total | \$7,802,126 | \$8,425,017 |
| <u>Contracted Service Cost</u> | <u>6,777,580</u> | <u>6,777,580</u> |
| <u>Estimated Savings</u> | \$1,024,546 | \$1,647,437 |

Comments: 1. Paratransit services were first certified as required by Charter Section 8.300-I in 1984 and have been provided by an outside contractor since 1979.

2. The current five-year contract with U.S. Human Resources Corporation expires June 30, 1991. However, PUC has extended that contract for three additional months, through September 30, 1991. Beginning October 1, 1991, services will be provided from a new, four-year and nine-month contract. The contract will be awarded to the paratransit broker that can provide services at the lowest cost. Ms. Annette Williams, the Manager of the Elderly and Handicapped Programs for MUNI reports that the City has recently received four bids for these paratransit services and is currently in the process of reviewing these bids.

3. The new broker will continue to serve in marketing and managing the paratransit services, at a final cost yet to be determined. According to Ms. Williams, the contract cost of \$6,777,580 is an estimation of the 1990-91 costs based on the current contractor's costs, adjusted by a cost of living factor.

4. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of this contract, is attached.

Recommendation: Approve the proposed resolution.

CHARTER 8.300-1 (Proposition J) QUESTIONNAIREDepartment PUC/MUNI RailwayContract Services ParatransitFor the term starting approximately 07/01/91 through 6/30/92

- 1) Who performed services prior to contracting out?
No one - service has always been contracted out.
- 2) Number of City employees laid off as a result of contracting out?
None
- 3) Explain disposition of employees if they were not laid off.
Not applicable.
- 4) What percent of a City employee's time is spent on services to be contracted out?
20% of one full time equivalent contract Administrator plus 3 hours per month of a 1630 - Accountant.
- 5) How long have the services been contracted out?
Eleven (11) years.
- 6) When was the first fiscal year for a Proposition J certification?
Fiscal Year 1983/84
- 7) How will contract services meet the goals of your MBE/WBE Action Plan?
The Broker services are currently performed by an MBE firm and not less than 30% of all service is provided by MBE/WBE firm(s), and these goals are being taken into account in awarding the new 5-year Contract for 1991-1996.

Department Representative

923-6142

Telephone

Item 18 - File 28-91-8

Departments: Department of Public Works (DPW)
Juvenile Probation Department

Item: Emergency resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, safety and welfare of citizens of the City and County of San Francisco and the County of San Mateo by performing work to abate fire and sewage hazards at Log Cabin Ranch located in La Honda, California and further authorizing the Juvenile Probation Department to apply for a long-term, low-interest loan from the State Water Resources Control Board.

Amount: \$1,917,100

| | | |
|-------------------------|--|--------------------|
| Source of Funds: | Correctional Facility Bond Act of 1986 | \$497,000 |
| | Capital Improvement Appropriation (Juvenile Probation Department) | 334,800 |
| | Loan from the State Water Resources Control Board | <u>1,085,300</u> |
| | Total | <u>\$1,917,100</u> |

Description: The Juvenile Probation Department reports that State and County Fire Inspectors have determined that the existing fire alarm and sprinkler systems at the Log Cabin Ranch are unreliable and in need of immediate replacement. Additionally, the Department reports that the State Water Resource Control Board has issued a tentative order requiring that the sewage treatment plant at Log Cabin Ranch be brought into compliance with Title 22 of the Public Health Code with regard to waste-water treatment and sewage disposal. Under the tentative order, the Juvenile Probation Department must submit the first progress report to the State, on the improvement of the sewage treatment plant, by May 30, 1991. The second progress report is due by August 30, 1991 and a detailed report showing that the sewage treatment plant is in full compliance is due by November 30, 1991.

Comments: 1. As noted above, the Juvenile Probation Department is proposing to apply for a long-term loan in the amount of \$1,085,300 from the State Water Resources Control Board. It is the Department's intent to pay for the loan through General Fund monies. Mr. Robert Kenealey of the City Attorney's Office, reports that the Juvenile Probation Department's proposal to apply for a long-term loan, which would be paid for by General Fund monies, violates Article XVI, Section 18 of the California Constitution which

BOARD OF SUPERVISORS
BUDGET ANALYST

stipulates that such a loan, paid for by General Fund monies, could only be approved by a two-thirds vote of the City's electorate.

2. Based on the City Attorney's determination regarding the long-term loan, Ms. Patricia Grice of the Juvenile Probation Department reports that the Department is requesting that this item be continued to the Finance Committee meeting on June 5, 1991, in order to allow the Department additional time to identify an alternative source of funding for this emergency proposal.

Recommendation: Continue this item to the Finance Committee on June 5, 1991, as requested by the Juvenile Probation Department.

Item 19 - File 155-91-1

Department: Mayor's Office

Item: The proposed ordinance would authorize the payment of a \$10,000 reward for Kathleen Guevara.

Description: The San Francisco Administrative Code, Section 10.177-1 authorizes the Mayor to issue rewards, not to exceed \$100,000, for furnishing of information leading to information leading to the determination of identity, apprehension and conviction of a person whose willful misconduct results in injury or death.

The proposed ordinance would authorize the Controller to pay \$10,000 to Ms. Kathleen Guevara who furnished information leading to the determination of the identity, apprehension, and conviction of the person responsible for the killing of Mr. Felix Bastarrica.

Mr. Bastarrica was shot and killed in front of 254 Clara Street on March 25, 1990. Mr. Bastarrica was a witness to the homicide of Mr. Ruben Alfonso which occurred on Saturday, March 24, 1990. Subsequently, on April 10, 1990, the Chief of Police requested the Mayor to authorize the payment of a \$10,000 reward for information leading to the apprehension of the responsible person(s). On February 28, 1991, a Superior Court jury convicted Mr. Joaquin Ciria of first degree murder in the death of Mr. Bastarrica. The Police Department indicates that without the information provided by Ms. Guevara, a successful completion of this case might not have occurred.

Comments:

1. According to Mr. Rea Puccinelli of the Legal Section of the Police Department, Ms. Guevara was the only eyewitness who appeared to make a positive identification of Mr. Ciria. Mr. Puccinelli indicates that Ms. Guevara testified at a preliminary hearing and cooperated with the Police Department during the investigation. Mr. Puccinelli reports that to his knowledge Ms. Guevara is not currently in any witness protection program.

2. On March 15, 1991 the Chief of Police concurred with the recommendation from the Homicide Section investigators involved in the case that Ms. Guevara receive the offered \$10,000 award.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
May 22, 1991

3. Mr. Ralph McGill of the Controller's Office reports that funds for the proposed reward would come from the General Fund, specifically the Controller's Operating Budget, Judgement and Claims Account.

Recommendation: Approve the proposed ordinance.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 20 - File 172-91-3

Department: Public Utilities Commission (PUC),
Municipal Railway (MUNI)

Item: Resolution approving Amendment No. 20 to the Master Contract between the California Department of Transportation (Caltrans) and Southern Pacific Transportation Company and Amendment No. 3 to Cooperative Agreement RM-4 among the California Department of Transportation, San Mateo County Transit District, Santa Clara County Transit District and the City and County of San Francisco, supporting rail passenger service between San Jose and San Francisco.

Description: On July 1, 1980, Caltrans and the Southern Pacific Transportation Company agreed to continue rail passenger service between San Jose and San Francisco through a Master Contract for a ten-year term. Caltrans, San Mateo County Transit District (Samtrans), Santa Clara County Transit District (SCCTD) and the City and County of San Francisco, through the Municipal Railway, concurrently agreed to financially support the public share of the Master Contract through a Cooperative Agreement. The public share of the operating costs is based on the proportion of ridership originating from each of the three localities. The public share ratio is determined according to a rider survey. San Francisco's share of this 1980 agreement was 2.5 percent of the operating costs.

The Cooperative Agreement RM-4 was amended in July, 1990 to extend the terms of the agreement to coincide with the terms of the Master Contract. Under the terms of the modified agreement, because San Francisco's ridership has increased from five percent to 10.2 percent, the City's share of the operating costs has increased from 2.5 percent to 5.1 percent. Therefore, San Francisco funds 50 percent of the costs of its ridership and Caltrans funds the remaining 50 percent. San Francisco's increase in ridership is the largest percentage change in ridership in any of the participating counties over the past ten years.

San Francisco's share under the new modified agreement for FY 1990-91 is approximately \$788,286. Under the new modified agreement, Santa Clara County Transit District's share of the operating cost for FY 1990-91 is approximately \$2,998,500 or 19.4 percent and Samtrans' share is approximately \$3,941,432 or 25.5 percent. Caltrans funds the remaining 50 percent of the operating costs, or approximately \$7,728,218.

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments:

1. On August 14, 1990, the Public Utilities Commission approved Amendment No. 20 and Amendment No. 3 to Cooperative Agreement RM-4 (Resolution 90-0288). According to the PUC, the reason this request was not submitted earlier is because the Department has only recently identified funds to pay for these costs. Previously, on May 6, 1991, the Board of Supervisors authorized the expenditure of \$509,982 from the Federal Budget Reduction Reserve to finance the City's increased share in FY 1990-91 of the amended agreement (File 101-90-87). As such, the proposed resolution is the Board's approval of the Master Contract and Amendment No. 3 to the Cooperative Agreement. The PUC intended to submit both the request for increased funding for the Cooperative Agreement and the proposed resolution to approve the Master Contract and Cooperative Agreement simultaneously.

2. The following table includes the operating cost shares from the 1980 Cooperative Agreement and the proposed 1990 Cooperative Agreement and the percent of change:

| | <u>1980</u> | <u>1990</u> | <u>Percent Increase or Decrease</u> |
|----------------------|-------------|-------------|---|
| San Francisco (MUNI) | 2.5% | 5.1% | +104% |
| Samtrans | 23.75 | 25.5 | +7.4 |
| Santa Clara Transit | 23.75 | 19.4 | -18.3 |
| Caltrans | 50.0 | 50.0 | 0 |

3. Amendment No. 20 to the Master Contract became effective on July 1, 1990 and Amendment No. 3 to the Cooperative Agreement RM-4 was made and entered into on June 15, 1990. As such, the proposed resolution should be amended to approve Amendment No. 20 to the Master Contract and Amendment No. 3 to the Cooperative Agreement RM-4 retroactively.

Recommendation: Amend the proposed resolution to approve Amendment No. 20 to the Master Contract and Amendment No. 3 to the Cooperative Agreement RM-4 retroactively. Approve the proposed resolution as amended.

Item 21 - File 51-90-4.1

The proposed item would transmit an employee claim of Richard Skaff for reimbursement for personal property damaged in the line of duty.

Section 10.25-1 of the San Francisco Administrative Code authorizes the Controller to provide reimbursement to City employees to recover part or all of the cost of replacing or repairing equipment or property which has been damaged or destroyed in the line of duty without the fault of the City employee. The Controller recommends reimbursement after reviewing the claim submitted to the Controller, and after reviewing the Department Head's certification to the Controller that the damage occurred in the line of duty and that the amount certified for payment is fair and reasonable.

On November 9, 1990, Mr. Richard Skaff, Disability Access Coordinator of the Department of Public Works (DPW) was crossing Polk and Grove Street at the Northwest corner in his electric wheelchair when the driver of a pick-up truck traveling south on Polk Street turned right onto Grove Street and hit Mr. Skaff. Mr. Skaff reports that the San Francisco Retirement System Workers' Compensation Division is pursuing reimbursement of the City and County of San Francisco expenditures from Mr. Paul Jr. Jacobucct, the owner and operator of the truck which caused the incident. Mr. Skaff reports that the Workers' Compensation Division will provide reimbursement only for medical expenses. Mr. Skaff is requesting that the City provide reimbursement for his clothing and for his wheelchair which were damaged in the line of duty. Mr. Skaff is requesting reimbursement for the following items:

| | |
|---------------------|---------------|
| Clothing | \$ 255.99 |
| "Lancer Wheelchair" | 1,230.00 |
| RoHo Cushion | <u>371.00</u> |
| Total | \$1,856.99 |

Comments

1. Mr. Richard Evans, Director of the Department of Public Works recommended a settlement of Mr. Skaff's claim on December 7, 1990.

2. The Controller's Office reports that no claim has yet been submitted by Mr. Skaff requesting that the Controller provide reimbursement for the above listed items. Mr. Dave Fong of the Controller's Office reports that once Mr. Skaff's claim is submitted to the Controller's Office, the claim would be reviewed along with the Department Head's recommendation for settlement. The Controller would then certify that the funds were available to provide reimbursement.

Recommendation

Request that the Department of Public Works submit a claim for personal property reimbursement to the Controller's Office for review. Once the Controller reviews the submitted claim and certifies that the funds are available for reimbursement, the Controller would submit the claim to the Board of Supervisors for authorization of payment.

Continue the proposed item, pending the submittal of this claim to the Board of Supervisors, by the Controller's Office.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 22 - File 79-90-4.1

Note: This item was continued by the Finance Committee at its meeting of May 15, 1991.

Department: Mayor's Office of Community Development (MOCD)

Item: Request for release of reserved funds

| | | |
|----------------|---|---------------|
| Amount: | Challenge Grant Program | \$235,591 |
| | Mission Economic Development Association (MEDA) | 20,000 |
| | Mission Economic Cultural Association (MECA) | <u>30,000</u> |
| | Total | \$285,591 |

Source of Funds: 1991 Community Development Block Grant funds

Description: The Board of Supervisors approved the 1991 Community Development Block Grant (CDBG) Program (Resolution 962-90) on December 3, 1990, including six items that had been placed on reserve by the Finance Committee. MOCD is requesting a review of three of the reserved items to obtain the Finance Committee's release of \$285,591 in reserved funding.

Comments: A listing of the subject items requested for release with the reasons for the reservation of funds and the actions taken by MOCD to obtain release is shown below:

| <u>Item</u> | <u>Program Purpose</u> | <u>Reason for Reserve</u> | <u>MOCD Action</u> |
|-------------------------------------|--|--|--|
| Challenge Grant Program (\$235,591) | The Challenge Grant Program is designed to provide eligible CDBG-funded organizations with additional MOCD funds to match new monies secured by the those organizations from qualifying donors, as opportunities arise throughout the year, thus assisting those organizations to become more independent of MOCD funding. | The Program was developed by MOCD four years ago but not implemented during the three previous fiscal years. | MOCD reports that nonprofit organizations that have CDBG funding request the continuation of the Challenge Grant Program because it allows them to use the program as leverage for obtaining foundation and corporate grants to provide services to low income persons. MOCD has prepared procedures which will be sent to CDBG-grant recipients to implement the program as soon as funding is released. |

| <u>Item</u> | <u>Program Purpose</u> | <u>Reason for Reserve</u> | <u>MOCD Action</u> |
|---|---|---|---|
| MEDA (\$211,410 total budget: \$20,000 reserved) | MEDA is a Mission District based organization that works to retain and expand small businesses, upgrade commercial properties, assist business relocations, and attract new businesses to San Francisco. | To give MOCD and MEDA the opportunity to exchange information and finalize the program for the additional \$20,000. | The 1991 Community Development grant of Mission Economic Development Association (MEDA) has been executed and the program has begun. The \$20,000 grant request, if funded, would be used to hire a small business analyst to assist small businesses. The Mayor's Office requests release of the \$20,000 reserved for MEDA so that these funds can be added to their existing 1991 grant. |
| MECA (\$68,000 total budget: \$30,000 reserved) | MECA is a consortium of eleven Mission District based community organizations that have combined to coordinate and produce major Latino cultural events in San Francisco. MECA also operates Festival Enterprises, Inc., a business comprised of a festival booth and equipment rental operation and a festival product merchandising operation. The project provides festival equipment and supplies to Bay Area Parks and Street Festivals and merchandises festival products in certain department stores. | To give MOCD and MECA the opportunity to exchange information and finalize the program for the additional \$30,000. | According to MOCD, the 1991 Community Development grant of MECA has been finalized and the program is ready to begin. Mr. Bernhard Gunther of MOCD reports that MECA would use the requested \$30,000 to augment previously allocated funds of \$38,000 and earned revenues for MECA's equipment rental and merchandizing division to purchase 30 festival and exhibit booths and five generators and to lease a truck and van to fully implement the activities of Festival Enterprises, Inc. A detailed budget of the proposed revenues and expenditures for Festival Enterprises, Inc. was provided to the Budget Analyst. |

BOARD OF SUPERVISORS
BUDGET ANALYST

- Recommendations:**
1. The decision of whether to release funding for the proposed programs and purposes is a policy decision for the Board of Supervisors.
 2. If the reserve on funding for the Challenge Grant Program is released, require that MOCD report periodically on the implementation and results of the Program, including the identification of the agencies and the specific amounts allocated.

Item 23 - File 100-89-1.23

Department: Fire Department

Item: Release of \$58,000 reserve to provide Management Development and Training for Assistant Chiefs and Battalion Chiefs.

Amount: \$58,000

Description: In the 1989-90 Budget, the Finance Committee approved and reserved \$250,000 for Fire Department management training. The Finance Committee has previously released and the Department has spent \$24,000 of this reserved amount for management team building instruction. The Fire Department requests the release of a final amount of \$58,000 to complete the management training required by the Fire Department's Consent Decree, for this fiscal year. The proposed release of the reserve would leave a balance of \$168,000 of the previously appropriated \$250,000.

The \$58,000 requested for release would be used to provide management development and training to 60 Fire Department Assistant Chiefs and Battalion Chiefs. The University of San Francisco's National Center for Employment Studies would provide the training at the University's Lone Mountain Conference Center beginning May 28 through June 1991. Each of the Fire Department's 60 Assistant and Battalion Chiefs would attend the following six one-day training sessions:

- Effective Writing Skills
- Civil Rights, Sexual Harassment and Affirmative Action: Administration of Complex Policies
- Supervision and Leadership
- Building Essential Management Skills
- Principles of Budgeting
- Evaluation and Long Range Planning

Comments: 1. According to Department Chief Postel, the purpose of this training is to provide the Department's Chief Officers with the skills and knowledge required to assist them in their application of their managerial responsibilities.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
May 22, 1991

2. As previously noted, the proposed release of reserve will meet the Consent Decree requirements for management training.

3. The \$168,000 that would remain on reserve would be carried forward for additional management training required by the Fire Department's Consent Decree in the 1991-92 Fiscal Year.

Recommendation: Release the requested \$58,000 on reserve.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 24 - File 101-89-24.1

Agency: Department of Public Works (DPW),
Clean Water Program (CWP)

Item: Release of Reserved funds

Amount: \$1,500,000

Source of Funds: 1976 Sewer Revenue Bond Fund

Project: Software Development for the Oceanside Water Pollution Control Plant

Description: In September, 1989 the Board of Supervisors appropriated funding for the construction of the Oceanside Water Pollution Control Plant in the amount of \$206,258,664. \$1,500,000 budgeted for software development was placed on reserve by the Mayor's Office pending definition of the actual costs for the software development. The proposed legislation would release the \$1,500,000 reserved for software development.

The DPW reports that the predesign work to establish software requirements for operation and control of the Oceanside Plant and definition of the computer hardware requirements are completed and bids for the distributed control system equipment for the Oceanside Plant automated computer control system have been received. As a result, the plans for the software development is now finalized.

DPW has selected CH2M Hill, the primary consultant from the first phases of the Oceanside Water Pollution Control Plant project, to develop the software for the automated computer control system at the Oceanside Treatment Plant.

Project Budget:

| <u>Item</u> | <u>Amount</u> | <u>Profit Rate</u> | <u>Profit</u> | <u>Total Amount</u> |
|--------------|----------------|--------------------|---------------|---------------------|
| Salaries | \$426,630 | 0.20 | \$85,326 | \$511,956 |
| Overhead | 712,473 | 0.14 | 99,746 | 812,219 |
| Expenses | 234,086 | 0.07 | 16,386 | 250,472 |
| MBE/WBE | | | | |
| Subcontracts | <u>375,911</u> | 0.06 | <u>22,555</u> | <u>398,466</u> |
| Total | \$1,749,100 | | \$224,013 | \$1,973,113 |

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments:

1. As noted in the above budget, the total amount of the software development project is \$1,973,113 or \$473,113 more than the \$1,500,000 DPW is currently requesting be released. The DPW reports that the increase in costs are attributable to an increase in the Oceanside Plant monitoring and control software requirements resulting from the software predesign assessment. Mr. Donald Munakata of the Clean Water Program reports that the additional \$473,113 was funded through a supplemental appropriation authorized by the Board of Supervisors in April, 1991 (File 101-90-94).

2. CH2M Hill, the proposed computer software consultant, was initially selected in 1987 through a Request for Qualifications (RFQ) process. CH2M Hill is neither a MBE/WBE firm nor a LBE firm. CH2M Hill will, however, subcontract approximately 20 percent of the contract to the following MBE/WBE firms: D.K Low, a City-certified MBE firm, CalSoft a City-certified MBE firm, Linestream, a City-certified WBE firm, and Caprio, a City-certified WBE firm.

3. Total profit for CH2M Hill is \$224,013 or 11 percent of the total contract amount. Mr. Munakata advises that the profit rates for each line item, including the rate for supervising the subcontractors, are within the State established guidelines for profit rates. For example, the State guidelines allow between four to eight percent of the subcontractor's contract amount for profit. These ranges provide the local governments with a percent range to help conduct contract negotiations with contractors.

Recommendation: Release the \$1,500,000 in reserved funds.

Item 25 - File 100-90-1.15

Department: District Attorney

Item: Release of Reserved Funds

Amount: \$40,000

Source of Funds: Previously Appropriated General Fund Monies

Grant Period: January 1, 1991 through December 31, 1991

Description: During the budget hearings for FY 1990-91, the Finance Committee recommended that \$40,000 included in the District Attorney's budget request be placed on reserve pending the District Attorney giving consideration to filling any new Attorney positions at the lower level Attorney classification instead of the Department's usual practice of filling such positions at the higher level Trial Attorney classification. According to Ms. Mary King of the District Attorney's Office, the Board of Supervisors had estimated, based on the Department hiring an average of four Attorney's during FY 1990-91, that the Department would realize a savings of approximately \$10,000 per position or a total of \$40,000, by filling these positions at the lower Attorney classification level.

Ms. King reports that, due to a lack of funding, the Department has not hired any new Attorneys for the current fiscal year. Additionally, Ms. King advises that the Department's projected salary savings for FY 1990-91 was over estimated and as such, the Department is now projecting a shortfall in its salaries account. The Department was unable to provide details on the projected budget shortfall as of the writing of this report.

Comment: Ms. King reports that the Department is requesting that this item be continued to the Finance Committee meeting of May 29, 1991, in order to allow the departmental representative most familiar with the subject matter of this report, to attend the Committee meeting.

Recommendation: Continue this item to the Finance Committee meeting of May 29, 1991, as requested by the District Attorney.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 26 - File 101-90-57.1

Agency: Airport

Item: Requesting release of reserve for contract to pave runway safety area as required by Federal regulation.

Amount: \$2,436,885

Source of Funds: Interest on approximately \$12 million unused balances of the Airport's capital project funds remaining from completed projects.

Description: 1. In February 1991, the Board of Supervisors appropriated \$17,903,602 from interest on unused balances of the Airport's capital project funds remaining from completed projects for seven additional capital improvement projects. Of this amount, the Board of Supervisors reserved \$15,218,062 pending selection of outside contractors and determination of the contractors' MBE/WBE status. This item proposes releasing reserves for one of the seven Airport capital projects.

This proposed project was initially budgeted at \$3,000,000. The contract was awarded to Ghilotti Brothers, Inc. who bid \$2,286,885. The addition of a \$150,000 or 6.6% contingency amount would increase the revised project cost to \$2,436,885 or \$563,115 less than the budgeted amount. Ghilotti Brothers, Inc., is neither a MBE or WBE firm but is an LBE firm. As a San Francisco firm, Ghilotti Brothers, Inc. was given a five percent preference adjusting its bid by \$114,344 from \$2,286,885 to \$2,172,541. This adjusted bid was the lowest bid of three firms bidding. The two other bids for this proposed contract were from Oliver DeSilva, Inc. at \$2,237,100 and from O'Grady Paving, Inc. at \$2,422,425.

The safety areas at the end of the Airport runways do not meet updated FAA standards. This proposed project is Phase I of the two-phase runway safety area extension program at the Airport and will extend the safety area at the west end of Runway 28R-10L. The work consists of exploratory trenching, construction of pavement, cementing the lower paved layer, earthwork, raising existing manholes and utility structures, and other miscellaneous work. The work would be done at night in order that the runway would be operational during the day.

BOARD OF SUPERVISORS
BUDGET ANALYST

Comment:

1. The Capital Improvement Advisory Committee (CIAC) reports that the proposed project is in conformity with the Master Plan and the CIAC Six-Year Capital Expenditure Plan. Mr. Louis Turpen of the Airport reports that the proposed project is in conformity with the Airport's Five-Year Capital Projects Plan as approved by the airlines and the Airports Commission.

2. The Lease and Use Agreement between the Airport and the airlines requires that interest income on capital projects be utilized for airport capital improvements.

Recommendation: Release the requested \$2,436,885 reserve.

Item 27 - File 200-91-2

Note: This item was continued by the Finance Committee at its meeting of May 8, 1991.

1. This item is a hearing to consider the status of the City's current and future infrastructure projects – street repairs and improvements, rehabilitation and improvement of public buildings and facilities, infrastructure projects involving enterprise departments, such as Port, Airport, Public Utilities Commission; new construction of bond-financed facilities, such as the Public Library, Police stations, jail facilities, earthquake safety improvements, Civic Center complex repairs and restoration; and relevant financing issues.

2. The Department of City Planning, the Office of the Chief Administrative Officer and the Department of Public Works have recently developed a draft report entitled the City and County of San Francisco Capital Improvement Advisory Committee Six Year Capital Management Plan: FY 1991-96. The authors of the report state that the purpose of the report is to provide background information and context for the Capital Improvement Advisory Committee (CIAC) and other decision makers who will be reviewing capital budget requests and bond program requests over the next several months. As such, the report provides a detailed overview of the City's capital needs and funding sources. A summary of the report's general observations on the status of the City's infrastructure are outlined below:

1) For General Fund and General Fund-supported facilities, annual appropriation levels for facilities maintenance and capital improvements have been decreasing for the last several years. In FY 1984-85 and FY 1985-86, annual General Fund appropriations averaged \$11 million annually. In FY 1986-87 and FY 1987-88, annual General Fund appropriations increased to an average of \$18 million per year. For the past three years, the annual funding level has decreased to an average of \$9.7 million. According to the report, when these General Fund appropriations are adjusted for inflation, they show that the City is now spending an average of 33 percent less in real terms than it was spending on General Fund facilities maintenance and capital improvements six years ago and 54 percent less than it was spending three years ago. The report states that this trend may continue into FY 1991-92. The CIAC has been given a target by the Mayor's Office of \$10 million for General Fund facilities maintenance and capital improvements for FY 1991-92. However, based on City Departmental requests for capital improvement and facilities maintenance projects which total \$44 million, the CIAC has recommended a funding level of approximately \$15 million for FY 1991-92.

2) If future levels of annual General Fund appropriations for facilities maintenance and capital improvements remain the same as in the prior three years, the City will have accrued a facilities maintenance and capital improvement backlog of approximately \$150 million by 1996. The vast majority of these facilities maintenance projects are projects which are

not bond fundable or are capital improvements in facilities which are not targeted for major capital improvements (i.e., bond or debt financed) programs in the near future. Examples of factors that characterize and influence this backlog are as follows:

a) Deferred Maintenance

In 1983, the City initiated a Facility Condition Monitoring (FCM) Program to assess the physical condition of the City's General Fund and General Fund supported-buildings. To date, assessments have been completed for over 250 buildings, which represents approximately one-half of the City's inventory of General Fund buildings. These assessments have documented approximately \$68 million in needed improvements and maintenance. Of the \$68 million, approximately \$10-15 million will be addressed as part of recently approved bond programs for seismic safety, which leaves \$53-58 million to be funded from annual General Fund appropriations or future bond programs. According to the report, as additional assessments are completed, this backlog can be expected to increase.

b) Health and Safety

Legal requirements to (1) increase seismic safety, (2) reduce health hazards from asbestos, (3) improve physical accessibility, and (4) monitor and replace underground storage tanks, have added significantly to the City's capital needs. Programs to assess the full extent of the City's capital needs in these areas are currently in process. As additional needs are identified, they would add to the capital backlog. The Department of City Planning reports there is a current backlog of approximately \$7.5 million for monitoring and replacing storage tanks. The Department currently does not have an estimate for backlog in connection with seismic safety projects, asbestos projects and physical accessibility projects.

c) Other Capital Improvements

Due to limited resources, City decision makers, when allocating annual appropriations, have afforded a higher priority to facilities maintenance and to health and safety requirements than to other types of capital improvements. As such, facilities maintenance projects have accounted for an increasing share (70-85 percent) of diminishing annual General Fund Capital budgets over the past three years. The result has been a growing backlog of capital improvements which are needed to increase operating efficiency or to relieve overcrowding in City facilities.

3. According to the capital improvement report, in recent years, the City has been able to finance some of its most urgent capital needs through General Obligation Bond Programs. Since 1986, voters have approved nine General Obligation Bond Programs totalling over \$663 million, as follows:

BOARD OF SUPERVISORS
BUDGET ANALYST

| <u>Bond</u> <u>Approved</u> | <u>In</u> <u>Millions</u> |
|--|------------------------------|
| 1986 - Fire Protection Bonds - to upgrade and expand the City's auxiliary water supply system. | \$46.2 |
| 1987 - Street Improvements - for street reconstruction and renovation, reconstruction of sidewalks and adjacent areas, traffic signals and street safety projects. | 27.0 |
| 1987 - Police Facilities Improvements - to replace and/or renovate obsolete police stations and to provide for seismic upgrade of certain facilities. | 28.0 |
| 1987 - Recreation and Park Facilities Improvements - to make improvements to (1) Kezar Stadium and surrounding area, (2) Lake Merced, (3) Portsmouth Square, (4) McLaren Park, (5) Crocker Amazon Park and (6) Buena Vista Park. | 18.0 |
| 1987 - Mental Health Facilities - to develop a Mental Health Skilled Nursing Center at San Francisco General Hospital. | 26.0 |
| 1988 - Library Improvement Bond Program-to build new Main Library and rehabilitate and seismically upgrade Branch Libraries. | 109.5 |
| 1989 - Earthquake Safety Bond Programs - to seismically strengthen fire stations, boiler/equipment at Laguna Honda, public buildings in Golden Gate Park and Lincoln Park, and the Main Library. | 59.7 |
| 1990 - Earthquake Safety Bond Programs - to seismically strengthen City Hall, San Bruno Men's and Women's jails, San Francisco General Hospital utilities, DPH Headquarters, other major public buildings in the Civic Center area, Branch Libraries, police stations and several museums. | 332.5 |
| 1990 - Sheriff - City matching funds for State bonds - to build new Sheriff's facility. | <u>16.5</u> |
| | \$663.4 |

BOARD OF SUPERVISORS
BUDGET ANALYST

4. The capital improvement report provides the following information on the background, current status and future needs of the City's infrastructure regarding seismic safety, asbestos management, physical accessibility and underground storage tanks.

(1) Seismic Safety

In 1987 the City initiated an Earthquake Safety Program to develop a systematic approach to the City's efforts to reduce seismic hazard. The program has two components: (1) engineering inspection to evaluate the seismic strength of the City's buildings and (2) construction projects to remedy identified problems. To date, engineering inspections and analyses have been completed on 171 buildings.

Funding for virtually all seismic strengthening projects in the City has come from General Obligation Bond Programs. The following bond measures included funding for seismic strengthening:

- (a) The 1987, Police Facilities Improvement Bond included approximately \$19 million to seismically upgrade police stations that would be most critical to the Police Department's ability to respond to an earthquake emergency.
- b) The 1988 Library Improvement Bond Program, included \$15 million to seismically strengthen a number of Branch Libraries.
- c) The 1989 Earthquake Safety Bond Program includes \$48.8 million to seismically strengthen 24 buildings including 19 Fire Department facilities, the boiler plant and utilities at Laguna Honda Hospital, two buildings at the California Academy of Sciences, the Main Library and the Legion of Honor.
- d) The 1990 Earthquake Bond Program in addition to repairing damage caused by the 1989 earthquake, includes \$204.7 million to seismically strengthen 20 City buildings, including City Hall, Civic Auditorium, the Opera House, the Veterans Building, the DPH Headquarters, the San Bruno Men and Women's Jails, the Exploratorium, San Francisco General Hospital utilities, two police stations and nine Branch Libraries. A Zoo subsurface utility replacement program (\$26 million) is also included in this bond program.

The bond measures approved to date address approximately 60 percent of the City's seismic safety needs. The report estimates that the remaining seismic work on City buildings could cost an additional \$200 million in 1990 dollars.

(2) Asbestos Management

The City's Asbestos Management Program was developed several years ago to meet regulatory requirements at the Federal, State and local level. The Asbestos Management Program provides a systemwide approach for identifying and managing asbestos in City buildings. A key component of the program involves the completion of data gathering to (1) develop an inventory of asbestos containing materials in City buildings, (2) determine the extent of the risk, (3) determine the cost associated with managing asbestos containing materials, and (4) identifying activities that may be impacted by the presence of asbestos.

There are generally two types of asbestos studies that are conducted: (1) Health and Safety General Surveys (managed by the Department of Public Health-DPH), to identify and inventory asbestos containing material and to evaluate the asbestos health risk and (2) Architecture and Engineering Detailed Assessments (managed by the Department of Public Works), to develop contract specifications for asbestos abatement where asbestos containing materials may be disturbed during the course of planned building maintenance or construction activities.

In 1987-88, the City appropriated \$329,000 to initiate Phase I of a program to conduct Health and Safety General Surveys of City buildings. These surveys were completed in February 1991, and 76 buildings were surveyed. Since FY 1987-88, additional funds for Health and Safety General Surveys have been appropriated, but have not yet been expended. These funds, which are available for future surveys, include:

- a) \$450,00 appropriated in FY 1988-89 for surveys in buildings owned by enterprise departments.
- b) \$200,000 appropriated in FY 1990-91 for additional surveys in General Fund buildings.
- c) \$500,000 included in the 1989-90 Earthquake Safety Bond Programs to survey for asbestos in buildings which will be undergoing seismic upgrades.

To date, the City has approved \$29,129,000 to do asbestos abatement work in conjunction with three major repair and renovation programs as follows:

- a) \$236,000 for asbestos abatement work in six Branch Libraries included in the 1988 Library Bond Program.

- c) \$3,163,000 for asbestos abatement work in 23 buildings included in the 1989 Earthquake Safety Bond Program.
- c) \$25,730,000 for asbestos abatement work in 20 buildings included in the 1990 Earthquake Safety Bond Program.

The DPH has prepared a plan to survey remaining General Fund buildings over the next three years at a cost of \$2,150,000. In addition to completing these surveys, the DPH plans to begin surveying buildings owned by enterprise departments using \$450,000 in funds previously appropriated by these departments.

(3) Physical Accessibility

The City began several years ago to develop a physical accessibility program to address Federal, State and local law. In 1988, the City appropriated \$29,000 to enable the Department of Public Works (DPW) to initiate a survey to identify physical access deficiencies in General Fund and General Fund-supported departmental buildings. An additional \$150,000 was approved in FY 1989-90 to do additional survey work, consultation, schematics and preliminary design for various projects in these buildings.

In early 1989, the Mayor's Office established a Disability Rights Task Force, to bring the City in compliance with Section 504 of the Federal Rehabilitation Act of 1973. A Physical Access Subcommittee was organized, which began work with DPW to develop survey instruments, set survey priorities and to recommend priorities for capital improvement funding for disabled access work. DPW and the Task Force have targeted the end of FY 1991-92 for completion of surveys of all General Fund buildings.

Since 1988, several disabled access projects have been funded through the annual capital budget or through departmental supplemental appropriations as follows:

- a) \$15,000 was appropriated to modify the toilets in the basement of City Hall. This project is completed. An additional \$75,000 was approved in the FY 1989-90 capital improvement budget to modify City Hall toilets on the 2nd, 3rd, and 4th floors. Working drawings for this project are near completion.
- b) \$50,000 (\$40,000 from FY 1989-90 annual capital budget, plus carryover from the Grove Street handicapped access ramp) was approved to modify toilets at 101 Grove. This project is in the design stage.

In addition to the above-noted funds, General Obligation Bond Programs approved within the past several years have included monies to meet disabled access requirements as follows:

- a) \$1.7 million in the 1987 Police Facilities Bond Program for physical accessibility work in seven renovated public stations.
- b) \$1.5 million in the 1988 Library Improvement Bond Program for physical accessibility work in the Main Library and six Branch Libraries.
- c) \$2.7 million in the 1989 Earthquake Safety Bond Program for facilities for the disabled in three public assembly buildings and 18 Fire Department facilities.
- d) \$4,430,000 in 1990 Earthquake Safety Bond Program for facilities for the disabled in two Department of Social Services office buildings, nine Branch Libraries, six Civic Center building, two Recreation and Park Department buildings and the Hall of Justice.

In the FY 1991-92 annual General Fund capital budget, the Department of Public Health (DPH) has proposed \$60,000 for handicapped ramps for the auditorium at 101 Grove and \$121,000 to provide for physical accessibility at DPH Health Centers 4 and 5. Additionally, \$322,880 is included in the War Memorial operating Fund for accessibility projects in subsequent years for the Opera House and the adjoining courtyard.

4) Underground Storage Tanks

In October, 1986, the Department of Public Works, with technical assistance from the Department of Public Health initiated implementation of the Underground Storage Tank Program (USTP) to comply with State laws. The initial purpose of the USTP was to test and monitor tanks for leaks and to remove City-owned tanks which were not in use or leaking. To cover the costs for testing and monitoring of the storage tanks, \$3 million was appropriated from the Emergency Reserve Fund. Costs incurred under this Program were reimbursable from the State, providing that no storage tank or connecting pipes were leaking. Additionally, the difference in cost between the replacement of a single walled tank, providing it was not leaking, and a double walled tank was also reimbursable.

The City is mandated under Federal law to have annual precision tank testing for all underground storage tanks. Currently, there are 116 underground storage tanks operated by all City Departments. The cost for each precision tank test is about \$700. Funding for these costs has been provided from various departmental

operating funds. In the capital improvement budget for 1991-92, a project for tank testing has been requested by the Department of Public Health to provide a funding source for various General Fund Departments that do not have sufficient funds for this work.

The Department of Public Health has responsibility for managing the Underground Storage Tank Assessment and Remediation Program. The purpose of this Program is to provide for the removal of toxic substances which have leaked from City-owned storage tanks into surrounding soil and groundwater. At this time, 49 sites have been identified which have varying degrees of soil contamination. Of these sites, contamination has been removed from 14 sites. According to the capital improvement report, an estimated \$3 million in General Fund and Special Fund Departments will be required over the next five years for work in connection with soil contamination.

The Department of Public Works has outlined a multi-year tank replacement program for various General Fund and General Fund-supported departments. The program proposes the replacement of 71 tanks at an approximate cost of 6.5 million. The age of these single walled steel tanks ranges from five to 40 years. At this time, there are no documented leaks from these tanks.

The tank replacement program for Special Fund departments (Airport, Hetch Hetchy System, Port and Water Department) has been administered separately by each department, with overview by the Department of Public Health. In recent years, 23 tanks have been upgraded and 30 tanks remain to be replaced. Future funding for this replacement work will be provided from the revenue sources of these departments.

Comment

As noted on the May 22, 1991 Finance Committee Calendar, the Chair may entertain a motion to continue this item.

Item 28 - File 127-91-2

Note: This item was continued by the Finance Committee at its meeting of May 1, 1991.

This item is a hearing to consider the present efforts by the Controller and the Tax Collector's Office to maximize revenue collections and to identify potential revenues that can be collected from potential taxpayers and actual scofflaws in regards to business registration, payroll and gross receipts tax payments.

The fiscal year 1990-91 Annual Appropriations Ordinance includes the following estimated revenues:

| | |
|---------------------------|--------------------|
| Business Registration Tax | \$ 7,400,000 |
| Gross Receipts Tax | 21,500,000 |
| Payroll Tax | <u>126,100,000</u> |
| Total | \$155,000,000 |

Mr. Richard Sullivan of the Tax Collector's Office reports that current projections indicate that the Tax Collector's Office will receive the total fiscal year 1990-91 budgeted amount of revenues for the business registration, gross receipts and payroll taxes.

The following chart provides a breakdown of the number of San Francisco businesses and businesses outside of San Francisco that registered in calendar years 1988, 1989 and 1990:

| | <u>1988</u> | <u>1989</u> | <u>1990</u> |
|------------------------------|--------------|--------------|--------------|
| <u>Businesses Registered</u> | | | |
| San Francisco | 47,589 | 49,260 | 50,897 |
| Outside San Francisco | <u>3,798</u> | <u>5,309</u> | <u>5,820</u> |
| Total | 51,387 | 54,569 | 56,717 |

The above chart indicates the number of businesses that registered in San Francisco, however, some businesses were delinquent in paying the registration fees and businesses with an annual income of less than \$15,000 are exempt from paying this registration fee. The current annual business registration fee is \$150.

The following chart provides a breakdown of both the number of businesses and the revenues from businesses in San Francisco and outside of San Francisco that have paid the City's payroll and gross receipts taxes in calendar year 1988, 1989 and 1990.

| | <u>1988</u> | <u>1989</u> | <u>1990</u> |
|---|-------------|-------------|-------------|
| <u>Number of Businesses Paying Payroll/Gross Receipts Taxes</u> | | | |
| San Francisco | 5,708 | 6,037 | 5,381 |
| Outside San Francisco | <u>405</u> | <u>423</u> | <u>343</u> |
| Total | 6,113 | 6,460 | 5,724 |

Revenues Collected from Payroll/Gross Receipts Taxes

| | | | |
|--------------------------|------------------|------------------|------------------|
| San Francisco | \$122,327,193 | \$130,818,013 | \$122,084,571 |
| Outside of San Francisco | <u>4,318,975</u> | <u>4,637,385</u> | <u>3,839,834</u> |
| Total | \$126,646,168 | \$135,455,398 | \$125,924,405 |

According to Mr. Victor Wong of the Tax Collector's Office, the number of businesses and the revenues for 1990 is less than 1989 or 1988 because the 1990 data is incomplete, primarily because the delinquent accounts and the results from audited businesses have not yet been included in the 1990 data. It should also be noted that the City's gross receipts taxes for 1989 was 1.6 percent for the entire year. The 1990 tax rate was 1.6 percent for the first six months of the year and 1.5 percent for the last six months of the year, the same rate as in 1988. The significant difference between the number of registered businesses and the number of businesses that paid the City's payroll and gross receipts taxes is because the taxes are only assessed on registered businesses whose tax liability is greater than \$2,500.

Mr. Sullivan reports that 151 businesses or 37 percent of the 405 businesses located outside of San Francisco that paid the City's payroll and gross receipts taxes in 1988 were contractors. Similarly, of the 423 businesses outside of San Francisco in 1989, 159 businesses or 38 percent were contractors. According to Mr. Sullivan, the Tax Collector's Office uses a four factor formula, which was developed approximately 20 years ago, to calculate the amount of taxes owed by businesses located outside of San Francisco that conduct business in San Francisco. This formula is used because San Francisco can only tax that portion of the business that is conducted in San Francisco and includes the following:

BOARD OF SUPERVISORS
BUDGET ANALYST

Percent of Sale

| | |
|--|------|
| 1. If the sales office or representative is in San Francisco | 30% |
| 2. If the billing or collection is in San Francisco | 20% |
| 3. If goods are delivered in San Francisco | 30% |
| 4. If goods are warehoused in San Francisco | 20% |
| Total | 100% |

The City's Tax Collector currently has the authority to accept partial payments of the Payroll and Gross Receipts Taxes owed to the City. Mr. Sullivan indicates that if a business cannot fully pay their business tax, the business must sign a promissory note to make partial payments of the delinquent business tax to the City, generally within a 12-month period. If penalties or legal challenges are involved, these payments are placed into a suspense account, until the full payment is completed. These funds are then later transferred to the City's General Fund. According to Mr. Sullivan, this suspense account currently contains approximately \$2,037,000.

In addition, the Tax Collector indicates that the State's Revenue and Taxation Code prohibits the City from depositing partial unsecured property taxes (i.e., furniture, fixtures, leasehold interests, etc.) which are only assessed on businesses. Under the current provisions, if a business can only afford partial payment, these funds cannot be transferred to the General Fund. Mr. Sullivan reports that as of January, 1991, there was a total of approximately \$1.3 million in the City's suspense account for unsecured property taxes, that could not be transferred to the General Fund. However, the Tax Collector indicates that the Board of Supervisors can adopt a resolution either for each individual partial payment or as a blanket resolution to enable the Tax Collector to transfer these funds to the City's General Fund. Mr. Sullivan reports that the Tax Collector is currently preparing legislation on this subject and expects to bring this legislation to the Board of Supervisors within the next month.

According to Mr. Sullivan, the Tax Collector's Office has both internal audit and compliance functions which are intended to maximize the revenue collections to the Tax Collector's Office. The Audit Division of the Tax Collector's Office includes 22 field auditors and five supervising auditors for a total of 27 professional staff positions for the payroll and gross receipts taxes. The City's payroll and gross receipts taxes are calculated and paid based on a self-reporting process. According to Mr. Sullivan, the Tax Collector's Office reviews these reported forms and if the Tax Collector's Office questions the information that is provided by the subject business, it could trigger an audit of that business. The Audit Division conducts an average of 1,000 audits per year. Based on a total of approximately 6,000 businesses that currently pay the City's payroll or gross receipts taxes, the Audit Division audits approximately 17 percent of these businesses each year. Mr. Sullivan reports that in fiscal year 1989-90, the Audit Division issued a total of \$9,636,480 in audit deficiency billings. For the first seven months of fiscal year 1991-92, the Audit Division

BOARD OF SUPERVISORS
BUDGET ANALYST

issued a total of \$7,073,175 of audit deficiency billings. Based on prior experience, the Tax Collector projects that approximately 90 percent of these audit deficiency billings will result in payments to the City.

The Compliance Division of the Tax Collector's Office includes seven field investigators, two follow-up office investigators and one small claims investigator, for a total of ten professional staff positions. This staff attempts to insure that businesses are complying with the City's business and payroll taxes by reviewing the State Board of Equalization's sales tax report notices, periodicals, the Department of Public Work's permits for large building contracts, the County Clerk's fictitious name records and the Bay Pacific Builder listings of major construction contractors and subcontractors. As reflected in the attachment, the Tax Collector's Office performs various activities on a daily, weekly or periodic basis.

The Tax Collector's Tax Clearance Unit is responsible for the City's business registration fee. In addition to issuing the business certificates and renewals, the staff conducts physical surveys of office buildings in the City to insure that all businesses are registered with the Tax Collector's Office. The staff also works with the Purchaser's Office to insure that businesses cannot do business with the City without filing for a business permit. The Tax Collector's Office reports that they also work with DPW and the Health Department to insure that no contractor or business receives a building or health permit without a valid business permit. Mr. Sullivan indicates that his staff also write and/or visit general contractor sites to insure that they have a current list of the subcontractors on these large projects and that these subcontractors are registered with the City.

According to Mr. Sullivan, the current penalties for failure to file with the Tax Collector's Office is ten percent of the amount owed. In addition, the failure to pay the gross receipts tax or the payroll tax is another ten percent penalty of the amount owed. Interest is assessed on the basis of one percent per month. In addition, failure to provide financial information to, or to register with the Tax Collector's Office is a \$100 penalty.

Mr. Sullivan also notes that the State's Revenue and Taxation Code permits the Tax Collector to seize businesses that do not pay delinquent taxes, in order to sell the necessary assets of the business to collect the taxes owed. Mr. Sullivan reports that this procedure can be effective with businesses that own boats. In addition, Mr. Sullivan reports that within the last fiscal year, the Tax Collector's Office sent a notice of possible seizure to ten businesses, which have now all paid their delinquent taxes owed. However, Mr. Sullivan indicates that the Tax Collector's Office does not use this procedure very often because any outstanding Federal Internal Revenue Service (IRS), State Franchise Tax Board or commercial loans that the business owed would take precedence over any local business taxes owed. Furthermore, Mr. Sullivan reports that it requires a significant amount of research for the Tax Collector's Office to determine if the delinquent business has sufficient assets to cover all of these delinquent tax liabilities.

BOARD OF SUPERVISORS
BUDGET ANALYST

Furthermore, Mr. Sullivan reports that the Tax Collector's Office has proposed to develop a new computer system which would enable the Tax Collector to match files with the Assessor's Office and other City and State offices. The estimated cost to complete the new system is approximately \$1.5 million, which the Tax Collector has included in their proposed budget for fiscal year 1991-92.

Mr. Dave Fong of the Controller's Office reports that the Controller's Office is responsible for the accurate recording of the expenditure, revenue and accounting information for the City and is not directly involved with the actual tax collections for the City. However, the Controller's Internal Audit Division has recently begun a performance audit of the Tax Collector's Office, which may address these issues. According to Mr. Young Choi of the Internal Audits Division, this performance audit of the Tax Collector's Office should be completed by approximately August, 1991.

On May 1, 1991, Mr. Richard Hongisto, the City's Assessor discussed with the Finance Committee additional efforts that the Assessor is undertaking to maximize revenue collections and to identify potential revenues that can be collected from potential taxpayers.

Comment

As indicated on the May 22, 1991 Finance Committee Calendar, the Chair may entertain a motion to continue this item.

Item 29 - File 216-91-1

1. This item is a request for a hearing on the Mission Armory Legislative Amendments.

2. The Mission Army Building, located on Mission and 14th Street, is currently owned by the State of California. The Mission Armory contains approximately 1.6 acres of space and is presently unoccupied.

3. In 1986, the Board of Supervisors established an Urban Development Action Grant (UDAG) Revolving Fund (Ordinance No. 461-86) for the purpose of receiving proceeds relating to UDAG loan repayments and for providing economic development loans and/or grants for eligible projects. Title I of the Housing and Community Development Act of 1974 limits activities to economic development functions. The Mayor's Office of Business and Economic Development (OBED), which is responsible for administering the UDAG Revolving Fund program, approved the Mission Armory Project as an eligible Title I economic development activity.

4. On July 6, 1989, Resolution 509-89 was passed by the Board of Supervisors authorizing the City to acquire and expend \$1.4 million from the UDAG Revolving Fund to purchase the Mission Armory from the State. In conjunction with this Resolution, Ordinance 263-89 was passed on July 14, 1989 which amended Section 10.117-59 of Chapter 10 of the San Francisco Administrative Code to authorize expenditures from the UDAG Revolving Fund to acquire real or personal property and to maintain such property for use in connection with activities that are eligible under Title I of the Housing and Community Development Act of 1974.

5. Ms. Gail Goldman of the Mayor's Office of Business and Economic Development reports that the City and State have prepared drafts of agreements that will sell the Armory to the City for \$1.5 million. According to Ms. Goldman, the City has designated \$1,806,835 from the UDAG Revolving Fund, which represents the original \$1.4 million already authorized plus accrued interest, to purchase the property, pay closing costs and make improvements. As noted above, the Board of Supervisors has previously approved the expenditure of \$1.4 million of the \$1,806,835. The remaining \$406,835 must still be authorized by the Board of Supervisors in order to make the funds available for the purchase of the Armory. The request to expend the \$406,835 will be submitted to the Board of Supervisors at a later date.

6. According to Mr. J. David Heindel of the Mayor's Office of Business and Economic Development, the City has requested the State to respond in writing that it has cancelled the public bid process and entered into exclusive direct negotiations with the City. The City has also requested the State to respond in writing that State procedures allow the City to assign this agreement to the Mission Armory Foundation (MAF), a non-profit corporation which was specifically formed to participate in the development of the Mission Armory and is composed of 13 non-profit organizations.

BOARD OF SUPERVISORS
BUDGET ANALYST

7. The current purchase agreement requires that escrow close no later than June 28, 1991. Mr. Heindel reports that the City has requested that this date be extended to August 30, 1991 to allow time to complete revisions to existing agreements.

8. According to Ms. Goldman and Mr. Alfredo Rodriguez of MAF, the City intends to transfer title of the Mission Armory to the MAF. MAF intends to develop the Armory into a motion picture production facility, if feasible. MAF will temporarily try to market some of the space at the Armory for storage at a cost of \$0.30 per square foot. A total of 40,000 square feet will be used for this purpose.

Item 30 - File 215-91-1

1. This item is a hearing to consider the feasibility of instituting a work furlough program among City employees in order to help balance the fiscal year 1991-92 budget and reduce the projected \$136 million revenue shortfall, as an alternative to wage freezes.

2. Any savings that could be achieved by an unpaid employee work furlough program would depend on the number of employees that could be furloughed without unacceptable service consequences. For purposes of this analysis therefore, our calculations provide estimated savings for a number of different cases, each of which excludes certain employees, departments and/or functions. However, the cases presented herein do not exhaust the range of alternatives available for review. In addition, an unpaid furlough program may result in increased unemployment insurance costs, that would offset savings depending on the number of employees involved and the relative amount of time spent on unpaid furlough. Based on unemployment benefit information provided by the Legislative Policy Analysts, who have also been reviewing this option, this analysis includes such offsetting costs in instances where the furlough program involves both 10% of the City's employees who would, in some cases, be on unpaid furlough for 10% of the year or more (approximately 26 days annually).

In each of the alternative cases described in this analysis, a target savings of \$50 million for 1991-92 is used. Furthermore, savings amounts per employee furlough day are calculated based on 1991-92 rates of pay and employee benefit costs (i.e. assuming that salary standardization increases are granted).

3. Cases 1, 2 and 3 shown below provide three different ways of determining the number of furlough days required to achieve savings of \$50 million in 1991-92 based on differing assumptions as to who would be excluded from the program. Case 4 provides a number of alternative exclusion levels for those positions not identified in Cases 1, 2, and 3. The personnel cost and position count data used for these calculations was provided by the Controller's Office.

Case 1: General Fund Savings target of \$50 million in 1991-92; all miscellaneous employees subject to unpaid furlough; Police and Fire uniform employees, Nurses and Muni Transit Operators excluded.

In this example, all Police and Fire uniform employees, all Muni Operators and all Nurses employed by the City would be excluded from the program. All miscellaneous employees would be included regardless of the source of funds used to pay their wages, salaries and benefits.

Under these assumptions, a General Fund savings of \$50 million in personnel costs could be achieved if all miscellaneous employees averaged 16.49 unpaid furlough days for the fiscal year.

| CASE 1: FURLOUGH SAVINGS OF \$50 MILLION GENERAL FUND; EXCLUDING POLICE & FIRE UNIFORM EMPLOYEES, NURSES AND MUNI OPERATORS ALL MISCELLANEOUS EMPLOYEES INCLUDED, CITY-WIDE | | |
|---|---------------------|---------------------|
| | <u>Total Budget</u> | <u>General Fund</u> |
| Total Personnel Costs | \$1,083,886,466 | \$791,237,120 |
| Estimated Number of Positions | 18,541 | 13,535 |
| Total Savings | 68,493,151 | 50,000,000 |
| Annual Unpaid Employee Furlough Days | 16.49 | 16.49 |
| Unemployment Insurance Cost | 0 | 0 |
| Net Savings | \$68,493,151 | \$50,000,000 |

Case 2: General Fund Savings target of \$50 million in 1991-92; **Case 1 exclusions plus** all departments totally supported by non-General Fund sources excluded. These non-General Fund Departments would be excluded: Port, Airport, Hetch Hetchy, Water Department and Clean Water as they would not contribute to General Fund savings. All remaining Muni operations employees would be excluded (besides previously excluded Muni Transit Operators) under this case as maintenance and support functions would need to continue in order to prevent a reduction in public transit services. All Public Health, Community Mental Health, San Francisco General Hospital (SFGH) and Laguna Honda employees would be excluded in order to preserve patient care and other Health and Mental Health services and revenue collection. Lastly, because the salaries are heavily subvented by State and Federal sources and workload is a function of client caseloads, the Department of Social Services miscellaneous employees would also be excluded under Case 2.

As reflected in the chart below, if all remaining miscellaneous employees were to be participants in the unpaid furlough program, approximately 21.72 furlough days in a year would be needed to achieve total General Fund savings of \$50 million in 1991-92.

| CASE 2: FURLOUGH SAVINGS OF \$50 MILLION GENERAL FUND - EXCLUDING NON - GENERAL FUND SUPPORTED DEPARTMENTS, SFGH, LAGUNA HONDA HOSPITAL, PUBLIC HEALTH, COMMUNITY MENTAL HEALTH, MUNI OPERATIONS POLICE AND FIRE UNIFORM EMPLOYEES, NURSES, MUNI OPERATORS | |
|--|---------------|
| <u>General Fund Amounts</u> | |
| Total Personnel Costs | \$600,882,917 |
| Estimated Number of Employees | 10,324 |
| Total Savings | 50,000,000 |
| Annual Unpaid Employee Furlough Days | 21.72 |
| Unemployment Insurance Cost | 0 |
| Net Savings | \$50,000,000 |

Case 3: General Fund Savings target of \$50 million in 1991-92; **Case 2 exclusions plus** further exclusions of certain General Fund functions.

In addition to those exclusions explained above under Case 2, the following departments, functions and their employees would be excluded under Case 3 assumptions:

| | |
|--|--|
| Sheriff's Office | Excluded in order to preserve court services and jail custody requirements under consent decree. |
| SFPD Communications Section | Excluded in order to preserve existing 911 and dispatch services. |
| Parking Control Officers | Substantial General Fund revenue depends on these employees. |
| Municipal Court Superior Court Public Defender's Office District Attorney | Preserves level of staffing to meet Court workload requirements. |

Using the assumptions described above, if all remaining miscellaneous employees were to be participants in the unpaid furlough program, approximately 25.07 furlough days in a year would be needed to achieve total General Fund savings of \$50 million in 1991-92.

CASE 3: FURLOUGH SAVINGS OF \$50 MILLION GENERAL FUND - EXCLUDING NON - GENERAL FUND SUPPORTED DEPARTMENTS, SFGH, LAGUNA HONDA HOSPITAL, PUBLIC HEALTH, COMMUNITY MENTAL HEALTH, MUNI OPERATIONS, POLICE AND FIRE UNIFORM EMPLOYEES, NURSES, MUNI OPERATORS AND SELECTED GENERAL FUND FUNCTIONS

| | <u>General Fund Amounts</u> |
|--------------------------------------|-----------------------------|
| Total Personnel Costs | \$520,466,505 |
| Estimated Number of Employees | 8,942 |
| Total Savings | 50,000,000 |
| Annual Unpaid Employee Furlough Days | 25.07 |
| Unemployment Insurance Cost | 0 |
| Net Savings | \$50,000,000 |

BOARD OF SUPERVISORS
BUDGET ANALYST

Case 4: **Case 3 assumptions and exclusions plus additional exclusions**
of personnel costs in varying amounts.

Besides the three cases described above, where certain reasonable assumptions would exclude a large number of miscellaneous employees in order to preserve critical services, a number of arguments can be made to exclude additional positions from a work furlough program. Examples would include positions needed to assure revenue collection (e.g. Treasurer-Tax Collector, Assessor) positions needed to provide payroll services, building security and operations positions, Police and Fire administrative and clerical support positions, etc.

Because it would not be possible to specify all potential exclusions and assumptions without further detailed review, the table below provides three alternative scenarios where \$50 million in General Fund savings could be achieved with varying amounts for additional exclusions. In these three examples, the number of furlough days ranges from 36 to 42 to 48 annually. As noted previously, the City could incur some unemployment insurance expense and employees who have 10% of their pay reduced would be eligible to receive \$42 daily in unemployment benefits for unpaid furlough days if the City is administratively able to construct a "work sharing program" that meets State Employment Development Department requirements. These expenses are included below as offsets to the savings that would be achieved.

| CASE 4: FURLOUGH SAVINGS OF \$50 MILLION GENERAL FUND - EXCLUDING NON - GENERAL FUND SUPPORTED DEPARTMENTS, SFGH, LAGUNA HONDA HOSPITAL, PUBLIC HEALTH, COMMUNITY MENTAL HEALTH, MUNI OPERATIONS, POLICE AND FIRE UNIFORM EMPLOYEES, NURSES, MUNI OPERATORS AND SELECTED GENERAL FUND FUNCTIONS PLUS ADDITIONAL GENERAL FUND PERSONNEL COSTS EXCLUSIONS. | | | |
|---|---------------------|---------------------|---------------------|
| Additional Exclusions = | \$73,850,483 | \$137,652,772 | \$185,504,489 |
| <u>Number of addl. employees excluded</u> | 1,269 | 2,365 | 3,187 |
| Total Personnel Costs | \$446,616,022 | \$382,813,733 | \$334,962,017 |
| Estimated Number of Employees | 7,673 | 6,577 | 5,755 |
| Total Savings | 61,602,210 | 61,602,210 | 61,602,210 |
| Annual Unpaid Employee Furlough Days | 36.00 | 42.00 | 48.00 |
| Unemployment Insurance Cost | <u>11,602,210</u> | <u>11,602,210</u> | <u>11,602,210</u> |
| Net Savings | \$50,000,000 | \$50,000,000 | \$50,000,000 |

4. It has also been suggested that the number of furlough days should vary depending on the salary received by miscellaneous employees. For example, employees earning less than \$25,000 annually could be excluded, regardless of the

BOARD OF SUPERVISORS
BUDGET ANALYST

necessity of their position, while those in higher brackets would be allotted a greater number of unpaid furlough days, with the highest paid employees assigned the highest number of unpaid days. It is not possible to test this approach at this time due to data shortcomings however. The table below, provided by the Civil Service Commission, shows the distribution of employees receiving salaries within certain ranges for all miscellaneous employees. However, similar data cannot be easily retrieved for all cases and all assumptions used in this report without a great deal of additional work by the Civil Service Commission and cannot be provided at this time.

Although the distribution shown below would probably not be the same for all examples used in this report, it is clear that 95% of all City employees are paid between \$25,000 and \$75,000 annually. Therefore, substantial savings could not be achieved among the highest paid (i.e. over \$75,000 annually) without allotting extremely high numbers of unpaid furlough days. Therefore, under any assumption, the majority of any savings would have to be achieved from unpaid furlough days taken from the mid level employees of the City.

**Distribution of all Miscellaneous Positions
by Salary Range**

| <u>Salary Range</u> <u>1991-92</u> | <u>Positions</u> | <u>Percentage</u> |
|---------------------------------------|------------------|-------------------|
| < \$25,000 | 34 | 0.19% |
| 25,000-35,000 | 4,921 | 27.37% |
| 35,000-45,000 | 5,882 | 32.71% |
| 45,000-60,000 | 4,880 | 27.14% |
| 60,000-75,000 | 1,389 | 7.72% |
| Over 75,000 | <u>875</u> | <u>4.87%</u> |
| Totals | 17,981* | 100.00% |

* Total does not reconcile to Controller's position count due to exclusion of certain part time and temporary positions.

Comments

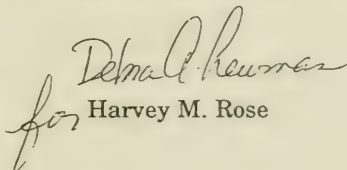
1. The Budget Analyst is aware of a similar program that is planned in the State of Massachusetts. According to a recent article in the Bureau of National Affairs, the Governor of Massachusetts signed, on March 22, 1991, a "deficit reduction bill" requiring state workers to take up to three weeks of unpaid leave before the end of the fiscal year on June 30, 1991. Lower paid workers, receiving less than \$20,000 annually, would be exempt. The number of unpaid leave days would depend on the salary level of employees required to participate with employees paid between \$20,000 and \$25,000 annually (the lowest group) required to take two days, ranging up to employees earning more than \$70,000 annually

BOARD OF SUPERVISORS
BUDGET ANALYST

who would be required to take fifteen days.

Massachusetts employees can work the days without pay and receive days off at the rate of time and one-fourth or work without pay and receive a deferred payment upon retirement or determination as an alternative to simply taking the unpaid days. Unpaid day requirements are prorated for part-time employees. The only exceptions noted are for workers returning from military service in the Persian Gulf. A lawsuit has been filed by the largest state employee union seeking to overturn the unpaid employee furlough section of the law.

2. At the request of the Chair of the Finance Committee, the Budget Analyst requested copies of survey responses provided to the Mayor by City Department heads regarding the furlough program. Forty such responses were provided to the Budget Analyst on Friday, May 17. A key requirement of the Mayor's survey was that no service reduction could be withstood if an unpaid work furlough program were instituted. This requirement alone prevents the attainment of any meaningful savings from a furlough program. Consequently, management's reactions to the proposal were largely, but not unanimously, negative.


for Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Shelley
Supervisor Hallinan
President Ward
Supervisor Achtenberg
Supervisor Alioto
Supervisor Britt
Supervisor Hsieh
Supervisor Kennedy
Supervisor Maher
Supervisor Migden
Clerk of the Board
Legislative Policy Analysts
Chief Administrative Officer
Controller
Sam Yockey
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
May 22, 1991

Revised

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Item 4 - File 101-91-12

Department: Police Department

Item: Supplemental appropriation ordinance for capital improvement projects

Amount: \$228,614

Source of Funds: Capital Improvement Reserve - General Fund

Project: Phase I and II of the 911 Emergency Dispatch Center Improvement Project

Description: The 911 Emergency Task Force review concluded that various facility deficiencies adversely affected staff productivity and morale in the Communications Department. As a result, the Task Force recommended that the Department implement the Scheme A physical improvements outlined in the Department of Public Works Architectural Study of the 911 Dispatch Center. The proposed ordinance would fund part of the first and second phases of this renovation.

In accordance with the recommendations of the Joint Controller's Office and Budget Analyst's Management Audit (February, 1991) and the 911 Communications Room Architectural Study by the Bureau of Engineering (December, 1990), a repair and renovation scheme has been developed which will occur in three phases. Phase I would develop a master plan and then finish the existing construction that began prior to the Audit. Phase II would make limited repairs to the phone and dispatch room and order furniture for the Video Display Terminal (VDT) workstations. Phase III would finish the the Phase II work and conduct architectural improvements such as demolishing existing walls, creating new walls, creating a printer tape recording room, and modifying the architectural layout of the 911 Communications Room. The entire project will cost approximately \$383,000. The proposed ordinance would fund \$228,614 of this \$383,000. The remaining \$154,386 to complete the renovation of the 911 Communications Room is being requested in the 1991-92 Capital Improvement Budget.

BOARD OF SUPERVISORS
BUDGET ANALYST -

Project Budget: Department of Public Works Architectural Design Services

| | |
|-------------------------|---------------|
| Architectural Services | \$32,500 |
| Project Management | 18,000 |
| Building Permits | 4,500 |
| Construction Management | <u>18,000</u> |
| Subtotal DPW | \$73,000 |

Construction Work

| | |
|--|------------------|
| Seismically Brace Existing Ceiling | 10,000 |
| New Seismically Braced Raised Computer Floor | 11,614 |
| Acoustical Wall Treatment | 10,000 |
| Refit Existing Lights with Parabolic Louvers | 3,000 |
| New Phone Positions Per VDT Law (15 telephones x \$3,300) | 49,500 |
| Modify 11 Existing VDT Stations per VDT Law | 25,500 |
| Electrical | 22,000 |
| Contractors' Profit | 12,000 |
| Contractors' Operational Costs | <u>12,000</u> |
| Subtotal Construction Work | <u>\$155,614</u> |
| Total Budget | \$228,614 |

Comments:

1. Mike Pierron of the Bureau of Architecture reports that PSI, a construction firm selected for the first phase of the project, would perform the construction work for the New Seismically Braced Raised Computer Floor (\$11,614) and the Electrical Work (\$22,000). PSI is not a MBE/WBE nor a LBE firm. PSI is subcontracting approximately 12 percent of the electrical contract, or \$2,640 to Crown Electric, a City-certified MBE firm. Approximately \$3,361 of the \$12,000 budgeted for the Contractors' Profit and \$3,361 of the \$12,000 budgeted for the Contractors' Operational Costs would go to PSI and Crown Electric.

2. The Police Department has selected Motorola to modify the 11 existing VDT stations per VDT law. Motorola is not a MBE/WBE nor a LBE firm. Motorola will subcontract approximately two percent of the contract, or approximately \$510 to Mayer Electric, a City-certified MBE firm. Approximately \$3,303 of the \$12,000 budgeted for the Contractors' Profit and \$3,303 of the \$12,000 budgeted for the Contractors' Operational Costs would go to Motorola and Mayer Electric.

BOARD OF SUPERVISORS
BUDGET ANALYST

3. The Police Department has not selected a construction contractor to perform the remaining construction work (\$10,000 to Seismically Brace Existing Ceiling, \$10,000 for Acoustical Wall Treatment, and \$3,000 to Refit Existing Lights with Parabolic Louvers, and \$2,000 of the \$12,000 budgeted for the Contractors' Profit and \$2,000 of the \$12,000 budgeted for the Contractors' Operational Costs associated with these construction projects). As such, the Budget Analyst recommends that the \$27,000 for construction work be placed on reserve pending selection of the construction firm(s), the firms' budgets and the firms' MBE/WBE status.

4. The \$49,500 budgeted for New Phone Positions per the Video Display Terminal (VDT) Law would be used to purchase and install phone equipment for the VDT stations at the 911 Dispatch Center. In addition, approximately \$3,303 of the \$12,000 budgeted for the Contractors' Profit and \$3,303 of the \$12,000 budgeted for the Contractors' Operational Costs would go towards the purchase and installation of these VDT equipment. As of the writing of this report, the Department was unable to identify the companies providing and installing the New Phone Positions per the VDT Law. As such, the Budget Analyst recommends amending the proposed ordinance to reserve the \$56,166 budgeted for the purchase and installation of VDT equipment and furniture, (\$49,500 budgeted for New Phone Positions as well as the \$3,303 for Contractors' profit and the \$3,303 budgeted for the Contractors' Operational Costs), pending selection of the firm(s), the firms' budget and the MBE/WBE status of the firms.

5. The Police Department reports that the proposed ordinance would fund parts of both Phase I and Phase II of the 911 Emergency Dispatch Center Improvement Project. However, the proposed ordinance only mentions Phase I. As such, the ordinance should be amended to include Phase II.

Recommendation: Amend the proposed ordinance to 1) include Phase II of the 911 Emergency Dispatch Center Improvement Project, 2) reserve \$27,000 for construction work pending selection of the construction firm(s), the firm's budget and the MBE/WBE status of the firm and 3) reserve the \$56,166 budgeted for the purchase and installation of New Phone Positions per VDT Law pending selection of the firm(s), the firms' budget and the MBE/WBE status of the firms. Approve the proposed ordinance as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

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C A L E N D A R
MEETING OF
FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, MAY 29, 1991 - 2:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN

CLERK: JONI BLANCHARD

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

REGULAR CALENDAR

1. File 121-91-1. [Fees] Ordinance amending Police Code by amending Section 2404.1 to increase the fee for a street artist certificate. (Supervisor Hallinan)

(Consideration continued from 5/22/91)

ACTION:

2. File 101-90-99. [Government Funding] Ordinance appropriating \$482,828, Recreation and Park, for other contractual services; providing for ratification of action previously taken. RO #90259; companion measure to File 65-91-3. (Controller)

(Consideration continued from 5/15/91)

ACTION:

3. File 65-91-3. [Lease Amendment] Ordinance approving Third Amendment to the Stadium Lease between City and County of San Francisco acting through the Recreation and Park Commission and the San Francisco Giants; companion measure to File 101-90-99. (Recreation and Park Department)

(Consideration continued from 5/15/91)

ACTION:

4. File 49-91-1. [Settlement of Claim] Resolution approving the settlement agreement, in an unlitigated claim of the Giants in the sum of \$292,000 in favor of the City and County of San Francisco. (Recreation and Park Department)

(Consideration continued from 5/15/91)

ACTION:

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5. File 63-91-1. [Candlestick Park - Parking Lot Agreement] Resolution approving agreement between San Francisco Giants and the City and County of San Francisco acting through the Recreation and Park Commission for operation of the parking lot at Candlestick Park for baseball events. (Recreation and Park Department)

(Consideration continued from 5/15/91)

ACTION:

6. File 101-90-1.2. [Annual Appropriation Ordinance] Ordinance amending Ordinance No. 258-90 (Annual Appropriation Ordinance), by adding Section 11.16, to provide for the appropriation of certain interest earnings on State and Federal funds. RO #90280. (Department of Public Health)

ACTION:

7. File 101-90-102. [Government Funding] Ordinance appropriating \$8,834, Agriculture, Weights and Measure, for permanent salaries and related mandatory fringe benefits. RO #90266. (Controller)

ACTION:

8. File 101-90-103. [Government Funding] Ordinance appropriating \$225,000, Public Health-DMSF, for medical services contract. RO #90268. (Controller)

ACTION:

9. File 101-90-113. [Government Funding] Ordinance appropriating \$11,750, Public Health, for medical service contracts (Critical Incident Response Team). (Supervisor Kennedy)

ACTION:

10. File 97-91-31. [Medical Examiner-Coroner - Official Memberships] Ordinance amending the Administrative Code, by amending Section 16.6-34 thereof, to delete one organization and add two organizations to the membership list of the Medical Examiner-Coroner. (Chief Medical Examiner-Coroner)

ACTION:

11. File 127-91-5. [Person Obligated to Tax Pay] Ordinance amending Articles 7, 9, 12-A and 12-B of Part III Of the Municipal Code, by amending Section 501(a), 601(a), 902.7 and 1002.8, relating to the definition of persons obligated to file City tax returns and pay tax. (Tax Collector)

ACTION:

12. File 127-91-6. [Tax Lien] Ordinance amending Articles 7, 9, 12-A and 12-B of Part III of the Municipal Code, by amending Section 514(c), 614(c), 914 and 1014, to provide for filing of tax liens to secure the payment of delinquent hotel, parking, payroll, and business taxes. (Tax Collector)

ACTION:

13. File 166-91-1. [Partial Payment Plan - Unsecured Personal Property] Ordinance authorizing the Tax Collector to accept partial payment of delinquent unsecured personal property taxes in the manner provided by State law. (Tax Collector)

ACTION:

14. File 153-91-4. [Grant - State Funds] Resolution authorizing the Department of Social Services to apply for participation in, accept and expend a new grant for a thirty-two month Family Maintenance Substance Abuse Treatment Pilot Program of the Foster Care Program Bureau, State Department of Social Services in the amount of \$159,348. (Department of Social Services)

(Consideration continued from 5/22/91)

ACTION:

15. File 64-91-7. [Lease of Property] Resolution authorizing a revocable license at 450 Seventh Street for the Police Department. (Real Estate Department)

ACTION:

16. File 64-91-9. [Lease of Real Property] Resolution authorizing lease of real property located at #1 Jones Street for the Police Department. (Real Estate Department)

ACTION:

17. File 94-91-2. [State Loan - Energy Conservation] Resolution authorizing the Public Utilities Commission to apply for an Energy Conservation Loan from the California Energy Commission for up to \$1.3 Million for the purpose of energy efficiency improvements in the Hall of Justice and the New Sheriff's Facility. (Public Utilities Commission). Finance.

ACTION:

18. File 130-91-1. [Grant - State Funds] Resolution authorizing the Chief Adult Probation Officer of the City and County of San Francisco to apply for, accept and expend funds in the amount of \$40,948 made available through the Office of Criminal Justice Planning for a project entitled "Gang Caseload Component of the Intensive Services Unit", and agreeing to provide matching funds in the amount of \$19,792. (Chief Adult Probation Officer)

ACTION:

19. File 130-91-2. [Grant - State Funds] Resolution authorizing the Chief Adult Probation Officer of the City and County of San Francisco to retroactively apply for funds in the amount of \$5,000 made available through the American Probation and Parole Association for a project entitled "Drug Testing. (Chief Adult Probation Officer)

ACTION:

20. File 146-91-16.1. [Grant - State Funds] Resolution authorizing the Department of Health, EMS Agency, to accept and expend a grant of \$14,300 from the State EMS Authority for funds to support the Pediatric Care Coalition in the development of paramedic training standards for pediatric prehospital care; companion measure to File 146-91-16. (Department of Public Health)

ACTION:

21. File 146-91-36. [Grant - Federal Funds] Resolution authorizing the Department of Health, Community Public Health Services, Public Health Laboratory, to accept and expend an augmentation grant of \$15,000 from the National Institutes of Health, National Center for Research Resources, for alteration and renovation of the AIDS testing Section of the Public Health Laboratory; companion measure to File 146-89-15. (Department of Public Health)

ACTION:

22. File 146-91-39. [Grant - State Funds] Resolution authorizing the Department of Public Health, Bureau of Epidemiology and Disease Control, to accept and expend a grant of \$94,772 from the State Department of Health Services for the continuation of immunization services to the residents of San Francisco, and to authorize the expenditure of grant funds to establish and finance Civil Service positions for the provision of these services. (Department of Public Health)

ACTION:

23. File 146-91-40. [Grant - State Funds] Resolution authorizing the Department of Public Health, Division of Mental Health, Substance Abuse and Forensic Services, to apply for a grant of \$254,371 from State Department of Mental Health for AIDS/ARC residential care, Peter Claver Community, and Continuum HIV Adult Day Health Care services. (Department of Public Health)

ACTION:

24. File 147-91-4. [Grant - Federal Funds] Resolution authorizing the City Librarian to apply for funds not to exceed \$70,000 available from the Library Services and Construction Act for 1991/92, for the Partnerships for Change Program. (Public Library)

ACTION:

25. File 192-91-1. [Grant - State Funds] Resolution authorizing the Executive Director of Parking and Traffic to apply for, accept and expend \$472,313 of Transportation Development Act (TDA) Article 3 funds for bicycle/pedestrian projects. (Department of Parking and Traffic)

ACTION:

26. File 51-90-4.1. [Employee Claim] Transmitting employee claim of Richard Skaff for reimbursement for personal property damaged in the line of duty. (Department of Public Works)

(Consideration continued from 5/22/91)

ACTION:

27. File 100-90-1.15. [Release of Funds] Requesting release of reserved funds, District Attorney, in the amount of \$40,000, for salaries. (Supervisor Gonzalez on behalf of District Attorney)

(Consideration continued from 5/22/91)

ACTION:

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9/91
CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

May 29, 1991

TO: Finance Committee

FROM: Budget Analyst - *Recommendation*

SUBJECT: May 29, 1991 Finance Committee Meeting

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MAY 29 1991

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Item 1 - File 121-91-1

Note: This item was continued by the Finance Committee at its meeting of May 22, 1991.

1. This item is an ordinance amending Part II, Chapter VIII, Article 24, of the San Francisco Municipal Code (Police Code) by amending Section 2404.1 to increase the fee for a Street Artist Certificate.

2. On April 29, 1991, the Art Commission of San Francisco voted to increase the Street Artist Certificate fee, in order to generate additional funds to support the costs of administering the Street Artist Program for FY 1991-92. The costs for administering the Program are paid for entirely by the Street Artists fees. The Commission reports that for the past three years, the cost for administering the Program has been offset by the Commission's Street Artist Program Fund, which has enabled the present fee to remain at \$230 a year. According to the Commission, the Fund, which consists of unexpended fees collected from prior years, will be depleted at the end of the current fiscal year. As such, the Commission reports that in order to have sufficient funds to support the costs of administering the Street Artist Program for FY 1991-92, it will be necessary to increase the Street Artist Certificate fee. The Commission had proposed that the annual Street Artist fee be increased by \$120 from \$230 a year to \$350 a year, based on approximately 500 Street Artists sharing the Program's previously estimated 1991-92 costs of approximately \$175,000. Mr. Lazar reports that currently there are 570 Street Artists enrolled in the Program, but that number is anticipated to decrease to approximately 500 in FY 1991-92 as a result of attrition.

3. The proposed ordinance would amend Section 2404.1 of the Municipal Code to provide that, the fee for a Street Artist Certificate will be \$87.50 instead of \$57.50 for a three-month period from the date of issuance and \$350 instead of \$230 for a period of one year from the date of issuance.

Comments

1. Mr. Howard Lazar, Director of the Street Artist Program reports that the surplus funds previously available in the Street Artist Program Fund, which were used to offset administrative costs, were the result of (1) salary savings, (2) savings in compensation paid to members of the Street Artist Program Advisory Committee and (3) the Street Artist Program sharing space with the Art Commission rent-free prior to FY 1990-91. Mr. Lazar advises that all three Program positions are now filled as well as four of the five membership positions on the Advisory Committee. Additionally, Mr. Lazar reports that the Street Artist Program along with the Art Commission recently relocated from their rent-free office space at 45 Hyde Street to 25 Van Ness Avenue, where rent is now being charged. The annual rental cost for the Street Artist Program for FY 1990-91 is \$9,204.

2. The proposed increase of \$120 from \$230 a year to \$350 a year for the Street Artist Certificate Fee represents a 52 percent increase.

3. The Mayor's Office FY 1991-92 budget proposal for the Street Artist Program is approximately \$162,000 (excluding Salary Standardization) as opposed to \$175,000. Based on 500 Street Artists enrolled in the Program, a Street Artist certificate fee of \$324 would be needed. This amount is \$26 less than the request of \$350. If Salary Standardization is approved, the Program's budget would increase by approximately \$6,200 to \$168,200. A Street Artist Certificate fee of \$336 or \$14 less than the requested \$350 would be needed if the Program's cost is increased to \$168,200.

Recommendation

Approval of the proposed ordinance is a policy matter for the Board of Supervisors. Should the Board of Supervisors approve the proposed ordinance, the Budget Analyst recommends that based on the Program's proposed 1991-92 budget that the Street Artist Certificate fee be increased to \$324 if Salary Standardization is not approved or to \$336 if Salary Standardization is approved.

Item 2 - File 101-90-99

Note: This item was continued by the Finance Committee at its meeting of May 15, 1991. This item should be considered together with Item 3 - File 65-91-3, Item 4 - File 49-91-1 and Item 5 - File 63-91-1.

Department: Recreation and Park

Item: Ordinance appropriating funds for other contractual services and providing for ratification of action previously taken.

Amount: \$482,828

Source of Funds: Candlestick Park Fund

Description: In 1987, the City entered into an agreement with the Sony Corporation of America (Sony) for a new scoreboard for Candlestick Park. Under this agreement, Sony agreed to pay the City \$200,000 per year (escalated at three percent per year) for the City to operate the scoreboard.

Based on a 1987 informal arrangement between the City, through the Recreation and Park Commission, the San Francisco Giants and the 49ers, the Giants were designated as the operator of the scoreboard for baseball, football and special events at Candlestick Park. One payment of \$200,000 was made by the City to the Giants in 1987 for the operation of the scoreboard. However, no formal operating agreement was finalized between the City and the Giants to specify the operating costs and identify procedures for the scoreboard.

The Controller subsequently advised the Recreation and Park Department that no additional payments should be made to the Giants without a written scoreboard operating agreement. As a result, no additional payments have been made by the City to the Giants for the operation of the scoreboard, pending the approval of a scoreboard operating agreement between the Giants and the Recreation and Park Commission. The scoreboard operating agreement has now been completed and would formally designate the Giants as the operator of the Candlestick Park scoreboard for baseball, football and special events through February 28, 1995 or until the Giants cease baseball operations at Candlestick Park, whichever happens first.

BOARD OF SUPERVISORS
BUDGET ANALYST

The proposed supplemental appropriation ordinance for \$482,828 would be used to pay the San Francisco Giants for a portion of the claimed operating costs for the Candlestick Park scoreboard between the years 1987 through 1990. (See points 8, 9 and 10 below.)

Comments:

1. In addition to the \$200,000 (plus three percent per year) that Sony pays the City for operating the scoreboard, under the agreement between the City and Sony, Sony receives the first \$1 million of advertising revenues each year for the first ten years (through 1997) and is responsible for repairing and maintaining the equipment at a cost of approximately \$65,000 per year. Advertising revenues that exceed \$1 million annually are split 65 percent to the City and 35 percent to Sony. According to Mr. Phil Arnold of the Recreation and Park Department, for the 1990 baseball season, the Candlestick Park Fund received approximately \$180,000 of advertising revenue. As part of the agreement with Sony, after 1997, all advertising revenues would belong to the City.

2. The Candlestick Park Fund, which is the source of the proposed supplemental appropriation, is a Recreation and Park Department enterprise fund. The Candlestick Park Fund receives Stadium rental, parking, concession and Admission Tax revenues from the 49ers and the Giants, in addition to a percent of the Hotel Tax and uses these sources to finance all City operations for Candlestick Park. The 1991-92 Annual Appropriation Ordinance estimates a balance of over \$2.3 million in unappropriated revenues in the Candlestick Park Fund. Mr. Arnold reports that the current balance in the Candlestick Park Fund is approximately \$500,000 to \$700,000. No General Fund monies would be used to fund the proposed request.

3. The Scoreboard Operating Agreement between the City and the Giants has been approved by the Recreation and Park Commission. According to Mr. Arnold, this agreement does not require the Board of Supervisors approval because it does not involve more than \$1 million in revenue per year and the agreement would be for less than ten years. As stated above, this agreement would extend through February 28, 1995, or until the Giants cease baseball operations at Candlestick Park, whichever happens first. According to the Master Lease with the Giants, their lease expires after the 1994 baseball season. However, the Giants have the option to terminate their lease with notice to the City by December 31 of any year between now and the expiration of the Master Lease.

BOARD OF SUPERVISORS
BUDGET ANALYST

4. According to the Scoreboard Operating Agreement, operating costs for the scoreboard cannot exceed the 1990 costs of operating the scoreboard, plus inflation based on the Bay Area Consumer Price Index, without review and approval by the Recreation and Park Commission. As stated in the Scoreboard Operating Agreement, costs of \$258,660 were incurred by the Giants during the 1990 Budget Year. However, as noted below, to date, these reported costs have not been audited by the Controller. The contract amount for scoreboard operations would then be included in the annual budget request for Candlestick Park which is submitted by the Recreation and Park Commission to the Mayor and the Board of Supervisors for approval.

5. However, the Scoreboard Operating Agreement also states that if the Board of Supervisors does not appropriate funds to cover the budget submitted by the Recreation and Park Department, the costs incurred by the Giants to operate the scoreboard would be offset through a rent credit to the Giants. Mr. Arnold reports that this is included because the Budget Year for the Giants is March 1 through February 28 and the Board of Supervisors would not review the budget until mid-June each year. According to Mr. Arnold, if the Board does not approve the budget as submitted, the Agreement therefore permits the Giants to offset through a rent credit any actual costs incurred between March 1 and when the Board of Supervisors approves the City's budget.

6. The Scoreboard Operating Agreement provides that the Giants cannot charge the San Francisco 49ers an additional charge for these scoreboard services. In addition, the City, can display a "reasonable number of messages, which are Recreation and Park Commission related", at no cost to the City, although any incremental costs of production of these messages which are outside the scoreboard operating budget approved by the City would have to be borne by the City. Mr. Arnold advises that the Recreation and Park Department usually displays one to two messages per baseball game, at no additional charge. For special event tenants, the Giants would be able to charge the actual cost of operating the scoreboard equipment plus an amount for administration and overhead, not to exceed 20 percent.

7. If the Giants cease baseball operations at Candlestick Park, the 49ers have the option to operate the scoreboard under the same terms and conditions of the proposed agreement.

8. Mr. Arnold reports that based on the following statement of costs submitted by the Giants, the Recreation and Park Department estimates that the Recreation and Park Department owes the Giants a total of \$767,828, net of the \$200,000 paid in 1987, for the scoreboard operation between 1987 and 1990:

| | |
|-------|----------------|
| 1987 | \$38,513 * |
| 1988 | 233,944 |
| 1989 | 236,711 |
| 1990 | <u>258,660</u> |
| Total | \$767,828 |

* Estimate of \$38,513 is based on total reported costs of \$238,513 less the \$200,000 payment made to the Giants in 1987.

9. Mr. George Linn of the Controller's Office reports that the \$767,828 amount reported by the Giants for the past four years has not yet been audited by the Controller's Office. According to Mr. Linn, once the Controller's Office has access to the Giant's records on the scoreboard operations, the audit could be completed in two to three weeks.

10. The proposed supplemental appropriation ordinance is in the amount of \$482,828 because the Recreation and Park Department included \$285,000 in their 1990-91 budget to operate the Candlestick scoreboard. The 1990-91 budget of \$285,000 for scoreboard operations and the proposed \$482,828 supplemental appropriation total \$767,828, which would be paid to the Giants. As noted in the ordinance, although the City has not incurred a legal obligation under the Charter, because the proposed supplemental appropriation would pay for costs incurred between 1987 and 1990, the ordinance would ratify an action previously taken.

BOARD OF SUPERVISORS
BUDGET ANALYST

11. The Budget Analyst reviewed the scoreboard operating budgets submitted by the Giants and notes that included in each year's budget is a \$125,000 production fee. According to Mr. Arnold, this is an amount that the Giants pay themselves to produce the animation for the scoreboard. Mr. Corey Busch of the Giants reports that these costs represent the portion of the Giants' total production costs for the scoreboard, allocated on a per baseball game rate. The Budget Analyst questions why this amount is so large and has not changed over the four budget years. According to Mr. Busch, the costs have not changed because the production crew has been able to reuse material from prior years, thereby achieving savings that offset salary and other production cost increases.

12. The Budget Analyst also notes that although the City is being reimbursed for the operating costs for the scoreboard by Sony, the amount that the Giants are charging the City for the operation of the scoreboard exceeds the amount received from Sony. The following chart identifies the amount paid to the City by Sony, the amount requested by the Giants for operating the scoreboard and the difference.

| <u>Year</u> | <u>Sony Pays to City</u> | <u>City Pays to Giants</u> | <u>Difference (Cost to Candlestick Fund)</u> |
|-------------|------------------------------|--------------------------------|--|
| 1987 | \$200,000 | \$238,513 | \$38,513 |
| 1988 | 206,000 | 233,944 | 27,944 |
| 1989 | 212,180 | 236,711 | 24,531 |
| 1990 | <u>218,545</u> | <u>258,660</u> | <u>40,115</u> |
| Total | \$836,725 | \$967,828 | \$131,103 |

Given that the Giants costs to operate the scoreboard exceed the amount of revenue that the City receives from Sony, the Budget Analyst questions why the operation of the scoreboard was not competitively bid, to insure that the City was receiving the best price for the services provided. Furthermore, the Budget Analyst questions why the Recreation and Park Commission is proposing to reimburse the Giants through the proposed supplemental appropriation when the amounts have not yet been audited by the City's Controller.

BOARD OF SUPERVISORS
BUDGET ANALYST

13. It should also be noted that, according to Mr. Ernie Prindle of the Recreation and Park Department, the Giants have withheld approximately \$888,000 in rent payments to the City because the proposed operating costs for the scoreboard have not been paid. According to Mr. Mike Shapiro of the Giants, the Giants will pay the rent withheld if the City pays the scoreboard operating costs to the Giants.

14. As discussed above, the Budget Analyst questions why the proposed operation of the scoreboard at Candlestick Park was not competitively bid, to insure that the City was receiving the most qualified and cost effective services available. Furthermore, the Budget Analyst questions why the proposed supplemental appropriation is being requested for approval when the Controller has not had an opportunity to review the actual costs incurred by the Giants to operate the scoreboard between 1986 and 1990. Although the agreement has already been approved by the Recreation and Parks Commission, the annual payment amounts involved were derived from the Giants' claimed actual operating costs. Such costs were not verified by the Recreation and Parks Commission prior to approval of the scoreboard operating agreement.

This issue is compounded by the problem that the City is receiving less revenue from Sony to operate the scoreboard than the City is paying the Giants, and that the Giants have included a \$125,000 production fee each year for their operations.

Recommendation: Approve the proposed ordinance. Reserve the entire \$482,828 of the proposed supplemental appropriation pending audit and verification by the Controller's Office of the entire \$967,828 claimed by the Giants.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 3 - Files 65-91-3

Note: This item was continued by the Finance Committee at its meeting of May 15, 1991. This item should be considered together with Item 2-File 101-90-99, Item 4 - File 49-91-1 and Item 5 - File 63-91-1.

Department: Recreation and Park

Items: Ordinance approving Third Amendment to the Stadium Lease between the City and County of San Francisco acting through the Recreation and Park Commission and the San Francisco Giants.

Description: The proposed changes to the Stadium Lease with the Giants would be the third amendment. The first amendment to the Lease was approved in May, 1979. The second amendment to the Stadium Lease was approved in August, 1989. The proposed ordinance to approve the third amendment to the Stadium Lease would provide the following:

Giants operate parking lot during baseball events. This provision is also included in the proposed parking lot agreement (Item 5 - File 63-91-1).

An agreement for the operation of the scoreboard during the term of this lease. A separate agreement for the scoreboard has been completed and the funds to reimburse the Giants for the scoreboard's operation are included in the Item 2 - File 101-90-99.

Two luxury suites (Suites C and E) to be provided by the Giants for the City's exclusive use, for official City related purposes only. Free entry into the Stadium on game days equal to the authorized capacity of these two luxury suites would be provided by the Giants to the City.

Giants shall pay rent to the City on all luxury suites based on five percent of the gross revenues received, less deductions. These deductions would include applicable ticket taxes, National League and visiting club fees, the value of one parking pass for every four suite seats, the value of one Stadium Club membership for each suite seat and a cleaning and service charge of \$50 per suite for each game. This service charge would be increased annually by an amount not to exceed the Bay Area's Consumer Price Index.

Giants can issue up to 247,000 complimentary tickets per season, at the discretion of the Giants. This would be in addition to the unlimited number of complimentary tickets issued as part of the Giant's Operation Desert Storm program during the 1991 season. Giants will give the Recreation and Park Commission 7,000 of the 247,000 complimentary tickets, to be used by the Recreation and Park Department for children and youth involved in Recreation and Park Department programs, the games and location of the tickets to be mutually agreed upon. In addition, a "reasonable number of complimentary tickets" would be provided to the City on request.

Giants must maintain accurate records of all transactions, open to inspection by City Controller at all times and furnish on or before the 15th of each month throughout the term of this lease, information showing the paid admissions received by the Giants for games played during the preceding month. A copy of the Giants' certified audit report must be provided to the Controller, and the City has authority to examine and audit Giants records to verify amounts payable to the City.

Repairs, improvements and operational expenses undertaken by Giants, on behalf of Recreation and Park Commission, may be deducted from any rents due to the Recreation and Park Department.

Comments:

1. On March 21, 1991, the Recreation and Park Commission adopted a resolution approving the third Stadium Lease Amendment with the Giants, which was subsequently modified by the Commission on April 18, 1991.
2. As noted above, several provisions of the proposed third amendment to the Stadium Lease relate to the three other items concerning the Giants at Candlestick Park that are being considered by the Board of Supervisors.
3. According to the proposed lease amendment, after the 1991 baseball season, the two luxury suites (Suites C and E), may be exchanged for other suites, the location of which are to be determined by the City and the Giants. The proposed amendment also specifies that these two luxury suites will be used for official City related purposes only and the City cannot offer or cause to be offered for sale the right of admission to these luxury suites.

BOARD OF SUPERVISORS
BUDGET ANALYST

4. Mr. Phil Arnold of the Recreation and Park Department reports that the Recreation and Park Commission will be responsible for establishing policies for the actual use of these luxury boxes. According to Mr. Arnold, the City also has use of three 49er luxury boxes, one of which is used by the Mayor, one of which is for the General Manager of Recreation and Park Department and one of which, under rules adopted by the Recreation and Park Commission this past year, are available for use by all City Commissioners.

5. According to Mr. Corey Busch of the Giants, the luxury Suites C and E, including parking and Stadium Club membership, equals an estimated retail value to the Giants of approximately \$96,000 per year.

6. The most significant provision of the proposed amendment is the inclusion of the luxury suite rental in the calculation of the amount of rental revenue paid to the City. Under the previous agreement, the Giants were only paying the City a rental of five percent of the revenue of the prices of the individual tickets sold. However, in addition to the ticket revenues, the Giants charge a premium price for the use of the luxury boxes. Rental revenue on this premium was not previously being paid to the City. However, based on an opinion by the City Attorney's Office on April 3, 1990, the Giants previous agreement specifies rental payment to the City for luxury boxes. Furthermore, as part of the settlement agreement (See Item 4 - File 49-91-1), the Giants have agreed to pay rent on the luxury suites in the amount of \$146,390 for 1986 through 1990, or approximately \$29,278 on an annualized basis. Although this amount does not actually reflect the amount owed to the City for these prior years, the proposed amendment will require the Giants to include the luxury suite rental in the revenue paid to the City for all future years.

7. According to Mr. Arnold, the Recreation and Park Department estimates that the proposed inclusion of luxury suites in the rental revenue calculation should result in approximately \$100,000 of additional revenue to the City each year. Mr. Arnold reports that the Candlestick Park Fund received approximately \$912,000 of rental revenue from the Giants as a result of ticket sales for 1990 baseball season.

8. It should be noted that a City Attorney opinion dated April 3, 1990 states that the Giants lease specifies that a minimum rental of \$125,000 each calendar year or a sum equal to five percent of paid admissions to all regularly scheduled games shall be paid to the City by the Giants, whichever is greater. According to the City Attorney, the term "paid admissions" is defined to mean the gross amount paid for admissions after deducting taxes and the amount paid to visiting clubs and the National League. The City Attorney's letter specifically states that "Revenues derived from a luxury suite tenant (i.e., Stadium Club admissions, parking and maintenance) are elements of the price paid for the admission to the Stadium".

9. The Giants disagreed with the City Attorney's interpretation of the lease and the associated required lease payments. As a result, the Giants threatened the City with a lawsuit. To prevent litigation over this matter, the proposed agreement represents a series of negotiations and compromises between the Recreation and Park Department and the Giants.

9. However, under the proposed lease amendment, the definition of "paid admissions" would be changed to exclude surcharges for parking, membership in the Stadium Club and a \$50 per suite per game cost of cleaning. According to Mr. Arnold, the Giants lease does not provide that the Giants will pay the City for rental revenues received from the Stadium Club, which is operated by the Giants in Candlestick Park. However, Mr. Arnold reports that each luxury box seat holder is required to purchase a membership in the Stadium Club. There is a total of approximately 1,000 luxury box seats and the value of the Stadium Club membership is \$100 per seat for a total Stadium Club membership revenue of approximately \$100,000. This amount would be deducted from the gross revenues paid to the Recreation and Park Department. Based on the City's rental revenue of five percent, the City would lose approximately \$5,000 of rental revenue for the baseball season.

10. The proposed amendment provides that the Giants can deduct the cost of one parking pass for each four suite seats. Based on an estimated 1,000 suite seats, the City would lose approximately \$4,000 of rental revenue for the baseball season.

11. Mr. Arnold reports that the proposed amendment also provides for a \$50 per suite per game service charge to be added by the Giants because the Giants are responsible for cleaning all of the suites after each game. However, the Budget Analyst questions why the deduction for cleaning of the suites is being allowed because the Giants are already responsible for cleaning the entire Stadium after each baseball game. In addition, a comparison of the cleaning charge by the Giants with the janitorial services contract with the Recreation and Park Department for football games indicates that the Giants are charging \$50 per suite per game while the Recreation and Park Department is charged by its janitorial contractor only \$37 per suite per game, or \$13 less per suite than the Giants. The exclusion of the \$50 cleaning fee results in a loss of approximately \$16,000 of annual revenue to the City.

12. The current lease with the Giants states that the Giants can provide 3,000 complimentary tickets per game and an unlimited number of children's complimentary tickets. However, because of the difficulty of distinguishing the type of complimentary tickets issued, the proposed amendment would not provide for an unlimited number of children's tickets. Rather, the proposed amendment would provide that approximately 80 home games at 3,000 tickets per game results in a total of approximately 240,000 complimentary tickets per season, which the Giants could issue. The proposed amendment would also provide the Recreation and Park Department with 7,000 complimentary tickets, which the Department could distribute. The Giants estimate these 7,000 tickets are worth approximately \$56,000 per year, or approximately \$8 per ticket. However, the proposed lease amendment does not specify the value or location of these tickets. Giants tickets currently range in price from \$2.50 to \$12.75, such that the value of these 7,000 complimentary ticket could range in total value from \$17,500 to \$89,250. Mr. Arnold reports that in prior years, the Recreation and Park Department had been purchasing tickets from the Giants for use by children and youth in their programs. In addition, as part of the proposed lease amendment, the Giants will provide complimentary tickets to the Board of Supervisors, on request. The "reasonable number of complimentary tickets" should be defined more clearly.

13. Mr. Arnold advises that a provision is being included in the proposed lease amendment to enable the Giants, with prior written approval of the Recreation and Park Commission, to undertake repairs and improvements to Candlestick Park. The costs of such repairs or improvements would be deducted from the amount of rental revenue that the Giants owe the City. This provision enables the Commission to authorize additional expenditures, without approval of the Mayor or the Board of Supervisors.

14. The proposed amendment would be effective as of the beginning of the 1991 baseball season. If the proposed lease amendment is approved, language should be included to insure that the lease is retroactive to the beginning of the 1991 baseball season.

15. The Budget Analyst notes that although the City Attorney issued an opinion stating that revenues derived from luxury suites, including Stadium Club admissions, parking and maintenance costs are elements of the price paid for the admission to the Stadium, the proposed lease amendment would exclude Stadium Club admissions, parking and maintenance costs from the rental revenues paid to the City. Together, the Budget Analyst conservatively estimates that these exclusions would result in a loss of approximately \$25,000 of revenue per year to the City.

16. It should be noted that this item was continued by the Finance Committee on May 15, 1991 because the Recreation and Park Department had not responded to Supervisor Kennedy's request for information related to this item. Ms. Mary Burns from the Recreation and Park Department reports that the Recreation and Park Department provided a letter to Supervisor Kennedy's Office on May 24, 1991, indicating that the luxury box seats would be limited to official City purposes, including but not limited to (1) providing entertainment to economically disadvantaged youth involved in San Francisco recreation programs or visiting dignitaries and/or (2) showing the facility to interested promoters of special events. According to Ms. Burns, the Giants would not allow the marketing of the suites either through sale of admissions or auction for any purposes. However, the Giants indicate that they make some suites available for non-profit organizations to use for fundraising purposes.

- Recommendations:**
1. Continue the proposed lease amendment to the Call of the Chair.
 2. Request that the Recreation and Park Commission renegotiate with the Giants to:

Amend the proposed lease agreement to include Stadium Club admissions, parking and maintenance costs in the calculation of rental revenues to the City, based on the April 3, 1990 City Attorney's opinion regarding luxury suite rental.

Clearly specify the location or type of 7,000 complimentary tickets and define "reasonable number of complimentary tickets".

Amend the provision which enables the Giants to undertake repairs and improvements to Candlestick Park with only the approval of the Recreation and Park Commission, to include approval by the Mayor and the Board of Supervisors.

Amend to provide a retroactivity clause as of the beginning of the 1991 baseball season.

Item 4 - File 49-91-1

Note: This item was continued by the Finance Committee at its meeting of May 15, 1991. This item should be considered together with Item 2 - File 101-90-99, Item 3 - File 65-91-3 and Item 5 - File 63-91-1.

Department: Recreation and Park

Item Resolution approving the settlement agreement in an unlitigated claim of the Giants in the sum of \$292,000 in favor of the City and County of San Francisco

Description: On December 27, 1990, the Controller's Office issued an audit report on the San Francisco Giants 1989 baseball season. This report identified several issues regarding the appropriate rental and parking payments between the City, through the Recreation and Park Commission, and the Giants. According to the proposed resolution, the Commission and the Giants have reached a settlement on these matters, which includes a payment by the Giants to the City of \$292,000 and a modification of the Stadium Lease and the agreement under which parking payments are made to the City. Modifications of the Stadium Lease are included in Item 7 - File 65-91-3 and changes to the parking agreement are included in Item 5 - File 63-91-1.

The Controller's Internal Audit Division report on the San Francisco Giants 1989 baseball season on December 27, 1990 contained the following recommendations and the Recreation and Park Department is proposing the following resolution to address each of these issues:

- a. Controller's Recommendation - Recreation and Park Department bill the Giants for \$4,864 in interest penalties for late penalties on parking lot operations during the 1989 baseball season.

Resolution - Giants have agreed to pay \$4,864 in interest penalties for late payments on parking lot income during the 1989 baseball season.

- b. Controller's Recommendation - Recreation and Park Department bill the Giants for underpaid preferred parking during the 1989 baseball season in the amount of \$2,373 plus applicable interest.

Resolution - Giants have agreed to pay \$2,373 for underpayment of preferred parking during the 1989 baseball season.

BOARD OF SUPERVISORS
BUDGET ANALYST

- c. Controller's Recommendation - Recreation and Park Department bill the Giants \$3,710 plus applicable interest for an unallowed commission deducted by Candlestick Parking Service, the previous parking operator, from its remittance to the Giants.

Resolution - Giants have agreed to pay \$3,710 to compensate for an unallowed commission.

- d. Controller's Recommendation - Recreation and Park Department resolve a dispute concerning whether the Giants must pay for preferred parking stalls not used. The City Attorney issued an opinion that payment should be made for preferred parking stalls whether or not they are used. For the 1989 baseball season, the additional payment due from the Giants would be \$134,663.

Resolution - Giants have agreed to pay the City \$134,663 as full compensation for preferred parking stalls not used for the 1989 and 1990 baseball seasons.

- e. Controller's Recommendation - Recreation and Park Department and the Giants resolve the issue of whether rental income on the luxury suites is to be included in the computation of the rent paid to the City by the Giants under the stadium lease between the Giants and the City.

Resolution - Giants have agreed to pay \$146,390 as full compensation for rental on luxury suite income for the 1986 through 1990 baseball seasons and to include luxury suite rental income in all future calculations of rent paid to the City under the Stadium Lease.

The above resolution items total the proposed \$292,000 settlement agreement.

Comments:

1. The Giants report that the proposed settlement agreement is the result of a series of negotiations between the Recreation and Park Department and the Giants. The City Attorney recommends the proposed settlement of the unlitigated claim of \$292,000 in favor of the City.

2. The Budget Analyst notes that the significant differences between the findings of the Controller's audit and the proposed resolution for a settlement agreement are as follows:

- a. No difference.
- b. No applicable interest payments are included in the proposed settlement agreement.
- c. No applicable interest payments are included in the proposed settlement agreement.
- d. The dispute between the Recreation and Park Department and the Giants regarding the preferred parking stalls is addressed in the proposed Parking Lot Agreement which is currently before the Finance Committee (Item 5 - File 63-91-1).

Although the Controller's audit identified \$134,663 of additional payments due from the Giants based on a review of only the 1989 baseball season, the proposed settlement agreement includes \$134,663 in total to be paid by the Giants for both the 1989 and 1990 baseball seasons. Discussions with Mr. Phil Arnold of the Recreation and Park Department indicate that the Giants operated under the same assumptions regarding the use of the preferred parking stalls for both 1989 and 1990. It is therefore reasonable to assume that if these factors remained constant, an additional approximately \$135,000 is owed by the Giants to the City for the 1990 baseball year. According to Mr. George Linn of the Controller's Office, the Controller's Office has not yet completed their audit of the Giants for the 1990 baseball season.

- e. The subject of luxury suite rental income is addressed in the proposed Third Lease Amendment which is currently before the Finance Committee (Item 3 - File 65-91-3).

The Controller's audit report stated that although the City Attorney interpreted the Giant's lease to require that rental income from the luxury suites are subject to rent, the Giants did not include the rental income from the luxury suites in the gross receipts subject to the City's rent. The Controller therefore requested that the Giants permit the Controller to review the Giants'

BOARD OF SUPERVISORS
BUDGET ANALYST

records for luxury suite rental to determine the amount of rent that would have been owed for these years. However, the Giants did not permit their records for the luxury suites to be reviewed for audit by the Controller's Office. As a result, the actual amount of luxury suite income that is owed by the Giants to the City between 1986 through 1990 is not available. According to Mr. Arnold, the amount of \$146,390 to be paid as full compensation for such rental income is not based on the actual amount owed but is rather a negotiated amount.

3. Given that the 1990 audit of the Giants baseball season for parking has not been completed, the Budget Analyst questions why the proposed settlement agreement would waive the potential amount owed to the City from 1990 preferred parking use. The Budget Analyst therefore recommends that the proposed settlement agreement be continued until the 1990 audit is completed, in order to determine the amount of additional revenue that may be owed to the City from preferred parking stall use. Furthermore, the proposed settlement agreement for luxury suite rental between 1986 and 1990 should be subject to review and verification by the Controller's Office prior to approval of this claim.

Recommendation: Continue the proposed settlement agreement pending the completion and report by the Controller's Office of the amount of additional revenue due to the City from preferred parking stall use in 1990 and a review and verification by the Controller's Office of the luxury suite rental due to the City for 1986 through 1990.

Item 5 - File 63-91-1

Note: This item was continued by the Finance Committee at its meeting of May 15, 1991. This item should be considered together with Item 2 - File 101-90-99, Item 3 - File 65-91-3 and Item 4 - File 49-91-1.

Department: Recreation and Park

Item: Resolution approving an agreement between the San Francisco Giants and the City and County of San Francisco through the Recreation and Park Commission for operation of the parking lot at Candlestick Park for baseball events.

Description: Prior to 1989, the parking lots at Candlestick Park were operated by Candlestick Parking Service (CPS), a private contractor. Beginning in April, 1989, the Giants and the City, through the Recreation and Park Commission, entered into a one-year interim operating agreement for the Giants to operate the parking lot at Candlestick Park during the baseball season. According to Mr. Phil Arnold, of the Recreation and Park Department, this one year interim agreement was extended for another year, through the 1990 baseball season. These interim agreements were not approved by the Board of Supervisors.

The proposed resolution would approve a formal parking lot agreement to permit the Giants to operate the Candlestick Park parking lot beginning on the pre-season home game in 1991 until the Giant's lease expires at Candlestick Park through the close of the 1994 baseball season.

Similar to the current interim arrangement, under the proposed agreement, the Giants would be reimbursed for their operating costs plus a fee of five percent of parking lot revenues, net of parking taxes and operating costs. After deducting these operating expenses, taxes and fees from the gross receipts, the Giants would pay all revenues to the Recreation and Park Department by the 25th day of each month based on receipts for the preceding month. The Department would therefore receive 95 percent of the net revenues from the main parking lot.

The Giants would be required to submit a budget for operating costs no later than December 1st of each year for the following budget year. Maximum operating costs would be based on the 1990 season's operating costs of

\$325,585 plus a cost of living adjustment based on the Bay Area's Consumer Price Index. Any additional costs increases would have to be submitted separately by the Giants for consideration by the Recreation and Park Commission. Under the proposed agreement, these costs would not be subject to review by the Board of Supervisors.

The Giants also have a separate agreement with the Recreation and Park Department to operate a pre-paid preferred parking section in the Candlestick parking lot. This preferred parking section consists of a total of 1,765 parking spaces, of which 650 spaces are provided under the Giants' Stadium Master Lease, as part of the Giants sales promotion for season ticket sales, and the remaining 1,115 spaces are addressed in the proposed agreement (see below.) The total number of preferred spaces can be adjusted annually with the approval of the Recreation and Park Commission.

The proposed agreement specifies new procedures for the Giants to follow for operating and accounting for these preferred parking spaces. Under the proposed agreement, the Giants will pay the City only for those preferred parking spaces actually used unless the rest of the main parking lot is filled to capacity in which case the Giants will pay the City for all 1,115 preferred parking spaces whether used or not, based on the prevailing parking rates, less the applicable parking tax. According to the proposed agreement, the Giants' cost to operate the preferred parking lot is not subject to this agreement and such costs are the responsibility of the Giants.

Under the proposed agreement, the Giants will be responsible for maintaining general liability, automobile, employers and workers compensation insurance, including naming the City as an additional insured on each policy, as an operating expense. The Giants would also be responsible, as an operating expense, to prepare and post signs at all gate entrances showing the parking rates and charges. As an additional operating expense, the Giants will maintain and mechanically sweep the parking lot, as needed. As discussed above, all of these operating expenses would be paid by the City.

The Recreation and Park Commission would be responsible for cleaning the parking lot after non-baseball events and the Commission is responsible for the cost of repairs, paving, lighting and striping of the parking lot, as needed.

Parking fees owed to the City by the Giants that are not paid by the 25th of each month would accrue interest at the rate of one percent per month. The Giants would be responsible for using both automatic auto counters and printed parking tickets, to be approved by the Recreation and Park Commission, at the entrances to the parking lots to control the accounting and reporting of parking receipts to the Commission. It is noted in the proposed agreement that the existing removable auto counters and printed tickets are in compliance with such requirements.

Although the Recreation and Park Department may advise the Giants regarding operating procedures, hours and number of attendants, the Giants will be responsible for establishing the hours of operation, providing attendants at the parking facility and identifying an area for the disabled.

The proposed agreement would also reserve 40 free parking spaces for use by Recreation and Park Department employees working at the stadium on event days.

Comments:

1. Under this proposed agreement, the City would, based on 1989 parking receipts, receive 76.4 percent of total parking revenue, with 19.6 percent paid to the Giants for operating costs and approximately 4 percent remitted as additional revenue to the Giants. Under this arrangement, the Giants profit, or net income, would equal approximately 20.5 percent of their operating expenses.
2. Similar to the proposed scoreboard lease agreement, it should be noted that if the Giants exercise their right to terminate their master lease at Candlestick Park prior to the end of 1994, the proposed parking lot lease would terminate.
3. As a new provision, the Giants must provide the Recreation and Park Commission with an annual audit of their costs and receipts, to be prepared by a certified public accounting firm, within 180 days of the end of each baseball season. The cost of this audit is not included as an allowable operating cost for the parking lot.

4. According to Mr. Arnold, the 40 free spaces in the parking lot for Recreation and Park Department employees provides for a written agreement of a procedure that has been in practice for several years. Use of these spaces is distributed by the Department and would be used by the engineers, custodians, groundskeepers, etc. that work at Candlestick Park on the days of the games. However, discussions with Mr. Mike Gay, Chief Stationary Engineer at Candlestick Park indicate that most of the Recreation and Park Department employees already use other spaces provided adjacent to the Stadium and do not park in the main lot. The Budget Analyst questions the need for 40 parking spaces for the use by employees of the Recreation and Park Department.

5. The most significant difference between the existing parking lot arrangements and the proposed agreement involves the preferred parking lot spaces. As discussed above, the proposed agreement would require the Giants to pay the City only for those preferred parking spaces actually used unless the rest of the main parking lot is filled to capacity in which case the Giants will pay the City for all the 1,115 preferred parking spaces whether used or not. According to Mr. Arnold, the proposed agreement would also require the Giants to pay for any preferred parker who parks in the main lot and would therefore require the Giants to pay for any parker who uses the parking lot, whether they park in the main parking lot or the preferred lot. Under the previous agreement, the Giants were required to pay for the preferred parking stalls whether or not they were used. A City Attorney opinion on this matter confirms this prior position, which resulted in a large portion of the \$292,000 settlement agreement (See Item 4 - File 49-91-1).

6. The Giants disagree with the City Attorney's position on the preferred parking and have threatened a lawsuit with the City regarding this and other matters discussed in the accompanying items that are currently before the Board of Supervisors. Mr. Corey Busch advises that the proposed parking agreement is part of an overall agreement with the City to avoid litigation on these matters.

7. According to the Controller's audit, the Recreation and Park Department received approximately \$1.3 million in parking lot revenues from the Giants as a result of the 1989 baseball season. As reported in the Controller's audit

of the 1989 baseball season, the Giants underpaid the City approximately an additional \$134,663 of parking revenues from the preferred parking lot. Based on data extrapolated from Giants parking information, the Budget Analyst estimates that the proposed agreement would result in the City not receiving approximately \$80,000 of additional revenue from these preferred parkers, as compared with the current agreement.

8. Based on a review of the Giants reported and projected parking lot operating costs, 1990 costs totaled \$325,585 as compared with the projected 1991 budget of \$340,236, an approximate 4.5 percent increase.

9. Included in the Giants reported costs is a Crew Supervisor at a cost of \$55,000 for the baseball season, the highest paid position in the budget. Based on discussions with Mr. Arnold of the Recreation and Park Department and Mr. Mike Shapiro of the Giants, this Crew Supervisor has been included since the Giants began the operation of the parking lot in 1989. This position was included because it was initially agreed that the prior operator of the parking lot, Candlestick Parking Service (CPS), would provide a Crew Supervisor, Mr. Leonoudakis, to assist the Giants in managing and operating the parking lot. According to Mr. Shapiro, the primary responsibilities of the Crew Manager under the current operation is to hire the Cashiers and provide the car counters. The Budget Analyst notes that although the responsibilities of the Crew Supervisor have been significantly reduced since the initial 1989 year, the amount, \$55,000, has remained consistently the same. Furthermore, after more than two years, the Giants Manager of the parking lot should be able to operate the parking lot during baseball games without additional assistance. The Budget Analyst therefore recommends that the \$55,000 line item in the Giants 1991 budget for a Crew Supervisor be eliminated.

10. As discussed above, the proposed agreement is for the period beginning on the pre-season home game in 1991, which has already occurred. Therefore, the proposed resolution should be amended to be retroactive. According to Mr. Arnold, the Giants are currently operating under these provisions.

11. The Budget Analyst questions why the proposed parking lot agreement was not subject to competitive bid, as done by the Department of Parking and Traffic for City parking lots and why the City does not receive a percentage of gross receipts in lieu of net revenues (revenues less operating expenses) as with other City-owned parking lots operated by private contractors. Mr. Arnold reports that in negotiating the agreement, the Giants expressed no desire to make money on this agreement, but to improve parking lot operations while receiving assurances that they could recover their operating costs. However, the proposed agreement with the Giants not only pays all of the Giants operating costs, but also pays the Giants a five percent fee, which was approximately \$70,000 per baseball season, based on the 1989 City revenues received from the parking lot of approximately \$1.3 million. Since 1989, the parking rates have increased approximately 25 percent, resulting in additional increased revenues to the Giants. Based on discussions with Mr. Kevin Hagerty of the Department of Parking and Traffic, at the City's garages that are operated by contract providers, the average fee paid to the operators is between \$10,000 and \$25,000 per year. As discussed in Comment #1 above, the Giants will receive profit in the amount of approximately 20.5 percent of their operating expenses under this agreement. The Budget Analyst believes that the five percent rate is excessive and recommends that the rate of net revenues paid to the Giants be reduced by at least one-half.

12. Under the proposed agreement, the budget for the parking lot is not subject to the Board of Supervisors approval. The Budget Analyst recommends that the budget for the Giants operation of the parking lot be subject to the review and approval by the Board of Supervisors. As part of this review, the Budget Analyst recommends that the \$55,000 for the Crew Supervisor be deleted.

Recommendations: We recommend that the proposed ordinance be disapproved and that the contract operations of the Candlestick Parking lot during baseball season be subject to competitive bidding procedures as with all other City-owned parking facilities.

Should the Board of Supervisors choose to retain the Giants as the parking lot operator under this agreement, we recommend the Board continue the proposed agreement to the Call of the Chair and request the Recreation and Park Commission to consider the following changes:

Require that all future budgets for operation of the parking lot be approved by the Board of Supervisors.

Delete the position of Crew Supervisor for a savings of \$55,000.

The five percent management fee paid to the Giants be reduced to a maximum of 2.5 percent per year.

Include language that the agreement is retroactive to the beginning of the present 1991 baseball season.

Reexamine the need for 40 parking spaces for Recreation and Park Department employees.

Item 6 - File 101-90-1.2

1. The proposed amendment to the Annual Appropriation Ordinance would add Section 11.16 to provide for the appropriation of certain interest earnings on State and Federal funds.

2. The proposed amendment would allow interest earned on funds received from the State of California or the Federal government to be appropriated under a blanket authorization in accordance with the terms under which the principal is received and appropriated. Therefore, the expenditures of such funds would not require separate supplemental appropriation review and approval of the Board of Supervisors.

3. Dr. Raymond J. Baxter, Director of Public Health (DPH), reports that this proposed amendment would allow the appropriation and expenditure of interest earned on AB75 Tobacco Tax funds without requesting a supplemental appropriation. Dr. Baxter further reports that AB75 legislation requires that all AB75 Tobacco Tax funds received must be deposited into trust fund accounts. Interest earned from these accounts shall be expended only for the purposes for which the principal funds have been received. Additionally, AB75 legislation requires that all principal and interest earned must be spent or encumbered by the end of the fiscal year. If funds are not so spent or encumbered, such funds must be returned to the State.

However, the State allowed an exception for the interest earned for the 1989-90 fiscal year. Unspent or unencumbered interest earned for the 1989-90 fiscal year was allowed to be carried forward into the 1990-91 fiscal year. There is not a similar exception for the 1990-91 fiscal year and the exception for the 1989-90 fiscal year did not apply to the principal funds received.

Mr. Jeff Leong of the DPH reports that approximately \$1.6 million of principal for the 1989-90 fiscal year which was not expended by June 30, 1990, will have to be returned to the State in November of 1991. Mr. Leong further reports that it is expected that both principal and interest earned for the 1990-91 fiscal year will be spent or encumbered. However, any of these funds that are not spent or encumbered for the 1990-91 fiscal year must be returned to the State in November of 1992.

4. Dr. Baxter believes that a supplemental appropriation for the expenditure of the interest earned is not practical because the total interest earned would not be known until significantly past the end of the fiscal year. Therefore, the City would have to return the interest, which is unspent and unencumbered by the end of the fiscal year, to the State.

Comments

1. The allocation of AB75 monies to the City and County of San Francisco for fiscal year 1990-91 totals \$18.6 million. This sum is divided into categorical and discretionary purposes and further divided into restricted sub-funds according to the uses allowed by the State. The table below details the 1990-91 allocation.

BOARD OF SUPERVISORS
BUDGET ANALYST

1990-91 AB 75 (Tobacco Tax Revenue) Allocations
(in \$ millions)

| | Fiscal Year <u>1990-91</u> |
|-------------------------------------|-------------------------------|
| <u>Categorical Allocations</u> | |
| Tobacco Health Education | \$ 1.6 |
| Private Hospitals | 3.0 |
| Physician Services | <u>2.0</u> |
| Subtotal | <u>\$ 6.6</u> |
| <u>Discretionary Uses</u> | |
| County Hospitals - SFGH | \$ 7.2 |
| Other County Health Services - SFGH | <u>4.8</u> |
| Subtotal | <u>\$12.0</u> |
| Total Allocation | <u>\$ 18.6</u> |

Categorical Allocation funds of \$6.6 million are for tobacco education and to pay private hospitals and physicians for unreimbursed costs incurred in the provision of health care to indigent persons. Discretionary funds of \$12.0 million are to reimburse the City for increased costs over the base year (1988-1989) for health care of indigent persons.

2. Mr. David Fong of the Controller's Office reports total 1990-91 interest earnings of \$962,937 through March 30, 1991. These interest earnings are allocated to the sub-accounts established within the categorical and discretionary uses described above.

3. Mr. Fong recommends approval of this ordinance on the basis that interest earnings, within the discretionary projects described above, would be applied by the Controller as a revenue against already appropriated expenditures for the San Francisco General Hospital (SFGH) enterprise fund in order to reduce the General Fund subsidy to the hospital. Sub-accounts established to pay private physicians and hospitals would also be credited with the interest income. However, such monies cannot be spent except to reimburse private physicians and hospitals for costs associated with medically indigent health services through a cost claim and approval process. Such claims often take considerable time to process. Therefore, disbursements from these sub-accounts are uneven and depend on the volume of claims. According to Mr. Fong, appropriation of the funds from interest earnings and placing a reserve on spending for these funds pending specific budget information would not meet the State's criteria of having such funds either spent or encumbered by the end of the fiscal year.

4. The Budget Analyst has reviewed AB75 trust fund income, interest earnings and disbursement activity for the 1989-90 fiscal year and 1990-91 fiscal year-to-date period. We concur that the disbursement pattern to private hospitals and physicians is uneven. Therefore, average cash balances and interest earnings, would be difficult to predict accurately.

5. Presently, the Controller's Office computes interest earnings for the AB75 fund and provides such information to the Health Department on a monthly basis. The Health Department then allocates such interest to the trust fund's sub-accounts. Mr. Fong agrees that the Controller's Office should perform the allocation of such interest earnings in order to assure proper accounting controls.

6. Normally, the Budget Analyst would not recommend approval of a policy matter that would remove authority over appropriations and spending authorization from the Mayor and the Board of Supervisors. However, in this case, because the funds can only be spent for restricted purposes and because the Controller has agreed to improve accounting controls over the allocation of interest earnings, we concur with the recommendation of the Controller to approve this ordinance.

Recommendation

Approve the ordinance.

Item 7 - File 101-90-102

Department: Department of Agriculture and Weights and Measures

Item: Supplemental appropriation ordinance for permanent salaries and related mandatory fringe benefits.

Amount: \$8,834

Source of Funds: Gas Tax Refund

Description: Subsequent to final budget approval for FY 1990-91, the Civil Service Commission placed all of the Department of Agriculture and Weights and Measures' inspector classifications at Step 5 of the inspector salary range. As a result, three Agriculture Inspectors and three Inspectors of Weights and Measures have been placed at Step 5 in their salary ranges. The Department requested the step changes to help curb documented recruitment and retention problems. The step increases caused a \$8,834 budget shortfall for FY 1990-91. The proposed ordinance would appropriate \$8,834 to cover the budget shortfall from the Gas Tax Refund. \$6,302 would fund salaries and \$2,532 would fund fringe benefits.

Comments:

1. The Department expects a higher Gas Tax refund from the State Department of Food and Agriculture than was originally planned. As a result, \$8,834 from this excess Gas Tax refund would cover the budget shortfall.
2. The Gas Tax Refund is unclaimed Agricultural Gas Tax funds which State law requires be turned over to the State Department of Food and Agriculture who, in turn, is required to allocate these funds to local governments. The unclaimed Agricultural Gas Tax is Gas Tax revenues collected from agricultural vehicles that have not been driven on roads, such as tractors that remain on the farm. Farmers are entitled to request a refund for taxes paid on gasoline used in nonstreet agricultural vehicles. Gas Tax Refunds that are not claimed are turned over to the State Department of Food and Agriculture. According to Mr. Evan Weeth of the Department of Agriculture and Weights and Measures, the Department of Agriculture and Weights and Measures received \$99,459 in FY 1990-91 from the unclaimed Agricultural Gas Tax funds which is approximately \$30,000 more than originally anticipated.

Recommendation: Approve the proposed ordinance.

Item 8 - File 101-90-103

Department: Department of Public Health (DPH), Division of Mental Health Substance Abuse and Forensic Services (DMSF)

Item: Supplemental Appropriation Ordinance for medical services contract.

Amount: \$225,000

Source of Funds: Neighborhood Health Clinic Reserve (General Fund)

Description: In December of 1990, because of reported growing operational deficits, the Board of the Mt. Zion Health Systems, Inc. decided to close the Mt. Zion Community Crisis Clinic on March 1, 1991. At the time, as part of the planned closure, Mt. Zion Health Systems, Inc., agreed to absorb the deficit for the first six months of the year (approximately \$200,000) and continue the 7-day, 24-hour service through the end of February, 1991. The DPH, DMSF agreed to pay for the deficit for January and February, 1991 and certain costs of closing the Clinic. The City contract with the Clinic was subsequently modified and reduced to \$1,140,564 from the original contract amount of \$1,576,640.

However, in February of 1991 the Board of Supervisors adopted Resolution 128-91, which urged the Mayor to urge the Health Commission to request adequate funds to maintain operations at the Mt Zion Community Crisis Clinic through the end of FY 1990-91 and to enter into discussions with Mt. Zion Community Crisis Clinic, Mt. Zion Health Systems, Inc., affected providers and the University of California at San Francisco to address funding options for the Community Crisis Clinic. Following the adoption of the Board of Supervisors' resolution, the DPH, DMSF agreed to work with the Mt. Zion Community Crisis Clinic to continue keeping the Clinic open on a 7-day, 24-hour basis from March 1, 1991 through June 30, 1991. On February 19, 1991, the Health Commission formally requested, through resolution, a supplemental appropriation of \$225,000 to keep the Clinic open at the past level of operations.

The proposed supplemental appropriation in the amount of \$225,000 would be used by the DPH, DMSF to fund a medical services contract to extend the 7-day, 24-hour psychiatric emergency service at the Mt. Zion Community Crisis Clinic from March 1, 1991 through June 30, 1991. The Mt. Zion Community Crisis Clinic has continued to operate on a 7-day, 24-hour basis as of the writing of this report.

Comments:

1. The City's total share of the cost of keeping the Mt. Zion Community Crisis Clinic open for all of fiscal year 1990-91, would be \$1,801,640 (\$1,576,640 original allocation plus \$225,000 proposed supplemental appropriation).

2. Legislation is currently pending before the Board of Supervisors that would urge the Mayor to include full funding in the 1991-92 budget proposal to continue operating the Mt. Zion Community Crisis Clinic. The DPH, DMSF's 1991-92 budget proposal for the Clinic includes an amount of \$1,923,000, which would fund a 5-day, 12-hour level of service. Under this proposal, acute crisis patients would receive services at San Francisco General Hospital's (SFGH's) Psychiatric Emergency Services (PES) facilities instead of at the Clinic. The DPH has projected that the cost to fund a 7-day, 12 hour level of service, with acute crisis patients receiving services at SFGH/PES would be \$2,091,000 (\$1,130,000-clinic plus \$961,000-SFGH/PES). A Board of Supervisors proposal based on the Clinic providing a 7-day, 24-hour level of service, is projected to cost \$2,115,000 or \$192,000 more than the DPH proposal of \$1,923,000 to fund a 5-day, 12-hour level of service.

Recommendation: Based on the Board of Supervisors prior approval of Resolution 128-91 which urged that adequate funds be made available to maintain the Mt. Zion Community Crisis Clinic through the end of FY 1990-91, approve the proposed ordinance.

Item 9 - File 101-90-113

| | | |
|-------------------------|--|-----------------|
| Department: | Department of Public Health (DPH) | |
| Item | Supplemental appropriation ordinance for Medical Service Contracts for fiscal year 1990-91 | |
| Amount: | \$11,750 | |
| Source of Funds: | Children and Foster Care Reserve | \$ 3,417 |
| | Neighborhood Health Clinics Reserve | <u>8,333</u> |
| | Total | <u>\$11,750</u> |

Description: The proposed supplemental appropriation ordinance would provide the initial funds for the Critical Incident Response Team (CIRT). In February, 1991, the Board of Supervisors authorized the establishment of the CIRT to coordinate a City-wide response to victims of violence, primarily youth (Resolution 202-91).

The CIRT would provide community-based psychological, social and limited physical health intervention services to individuals, families and neighborhoods affected by violence. Additionally, the team would provide community education and consultation on an ongoing basis for target communities. This will enable these communities to develop their own internal prevention and intervention response.

Comments: 1. Resolution 202-91 urged the Health Commission to submit a supplemental appropriation in the amount of \$141,000 to assist in the financing of the CIRT. The resolution indicated that \$35,000 should be appropriated from the Children and Foster Care Reserve and \$106,000 from the Neighborhood Health Clinics Reserve. During the 1990-91 budget process, the Board of Supervisors set aside a Children and Foster Care Reserve for \$400,000 and a Neighborhood Health Clinics Reserve for \$368,179. The DPH is only requesting \$11,750 to initially fund the CIRT because this appropriation was delayed and would now only cover the month of June, the last month in this fiscal year. The Controller has certified that currently funds are available in these reserves to fund the \$11,750 proposed appropriation.

2. The proposed Supplemental Appropriation Ordinance would appropriate \$11,750 from the Children and Foster Care Reserve and Neighborhood Health Clinics Reserve for permanent salaries and mandatory fringe benefits plus an operating emergency fund for the month of June, 1991 as follows:

| | | This Supplemental <u>Request</u> | <u>Annualized</u> |
|--------------------------|-------|--|-------------------|
| Program Director | 1 FTE | \$3,751 | \$45,006 |
| Senior Counselor | 1 FTE | 2,576 | 30,916 |
| Counselor | 1 FTE | <u>1,860</u> | <u>22,325</u> |
| | | 8,187 | 98,247 |
| Fringes @ 26% | | <u>2,129</u> | <u>25,544</u> |
| Total Personnel | | \$10,316 | \$123,791 |
| Operating/Emergency Fund | | <u>1,434</u> | <u>17,209</u> |
| Total | | <u>\$11,750</u> | <u>\$141,000</u> |

3. Mr. Steve Laplant of the DPH reports that the CIRT program will be contracted out to the Westside Community Mental Health Center, a non-profit agency that has been funded by the City and has provided mental health services for over twenty years. The program will be monitored by a CIRT Advisory Committee and by the DPH. The Advisory Committee is composed of representatives from various City departments, community agencies and consumers. In addition to monitoring the program, the Advisory Committee will address policy issues and long-term planning issues necessary to ensure continued and expanded funding and the successful operation of the CIRT. Also, the Advisory Committee will advise and assist the CIRT in problem solving, access to services and in the provision of services. The members of the Advisory Committee will not be paid any fees. Mr. Laplant reports the amount of time he or his staff will spend on this project to be insignificant. Therefore, no in-kind fund allocations are being designated for this project.

4. According to Mr. Laplant, the projected \$141,000 annualized cost is currently proposed for the 1991-92 budget for the DPH and will be financed from General Fund revenues.

Memo to Finance Committee
May 29, 1991

Recommendation: Based on the Board's previously approved resolution to establish the Critical Incident Response Team, approve the proposed ordinance to initiate this new City program, estimated to cost approximately \$141,000 in FY 1991-92, and to be financed with General Fund revenues.

Item 10 - File 97-91-31

Department: Chief Medical Examiner-Coroner

Item: Ordinance amending Administrative Code by amending Section 16.6-34, to delete one organization and add two organizations to the membership list of the Medical Examiner-Coroner.

Description: The proposed ordinance would amend Section 16.6-34 of the City's Administrative Code to delete one organization and add two organizations to the membership list of the Medical Examiner-Coroner. In addition, the proposed ordinance would change the name in the title in the Administrative Code from "Coroner" to "Medical Examiner-Coroner".

The Medical Examiner-Coroner is requesting authorization for membership in The American Academy of Forensic Sciences (AAFS) for an annual membership fee of \$105. In addition, the proposed ordinance would change the listing of National Association of Coroners to the National Association of Medical Examiners. The National Association of Coroners has become an obsolete organization which has been replaced by the National Association of Medical Examiners.

Comments:

1. The Chief Medical Examiner-Coroner reports that the \$105 annual membership fee for the American Academy of Forensic Science has already been included in the Medical Examiner-Coroner's FY 1990-91 budget. Therefore, no additional funds are being requested.
2. According to Mr. Joseph Surdyka of the Medical Examiner-Coroner's Office, the Medical Examiner-Coroner is requesting authorization for membership in the American Academy of Forensic Sciences because the Medical Examiner-Coroner's Office primarily deals with forensic medicine.

Recommendation: Approve the proposed ordinance.

Item 11 - File 127-91-5

This item would amend Articles 7, 9, 12-A and 12-B of Part III of the Municipal Code by amending Section 501(a), 601(a), 902.7 and 1002.8 relating to the definition of persons obligated to file City tax returns and pay taxes.

Description

According to the Tax Collector, significant amounts of the City's tax revenue escapes collection because the business operators owing delinquent taxes are organized as corporations and these corporate tax debtors own insufficient equity in their corporate name to pay the tax, even if the Tax Collector obtains a civil judgement. The Tax Collector advises that many of these corporations are wholly owned by one or two individuals who serve on the board of directors and work for the company as executive officers. These shareholder-officers continue to receive compensation from their tax delinquent corporations up to the time the corporation becomes insolvent. The Tax Collector reports that collection of delinquent City taxes which accrue during the period before the corporation becomes insolvent becomes very difficult without some type of legislation creating the obligation on the corporate owners to properly report and pay taxes.

This problem was addressed in 1981 when the Board of Supervisors amended Sections 902.7 and 1002.8 of the Payroll and Business Tax Ordinances respectively to create a legislative presumption that an individual who was a majority shareholder and officer of a corporation subject to City Business and Payroll Tax obligations was jointly liable with the corporation to file and pay City business and payroll taxes. However, this legislative presumption does not extend to hotel and parking lot operators doing business in the corporate form. According to the Tax Collector, the majority of the City's parking lot operators and many hotel operators are corporations owned by one or two individuals. The Tax Collector reports that collection of delinquent taxes from these corporations is in jeopardy without the benefit of legislative presumption that the owners who function as executive officers are also responsible for reporting and paying the corporate tax obligation. This type of presumption has been a part of the State and Federal tax laws for many years. The proposed ordinance would extend this already existing legislative presumption of tax liability to the shareholder/officers who operate hotel and parking facilities in San Francisco.

The Tax Collector is particularly concerned with the corporate owner/officers responsibility to report and pay hotel and parking taxes because the operator has already collected these taxes from the patron on behalf of the City.

Comments

1. Mr. Robert Fletcher of the Tax Collector's Office reports that the Tax Collector is unable to estimate the amount of tax revenues lost to the City during a given fiscal year as a result of hotel and parking lot operators currently escaping tax collection. However, Mr. Fletcher reports that the Tax Collector is currently pursuing one corporate parking lot operator that owes the City \$400,000 in parking

Memo to Finance Committee
May 29, 1991

taxes and another corporate parking lot operator that owes the City \$600,000 in parking taxes.

2. Mr. Richard Sullivan of the Tax Collector's Office reports that the Tax Collector charges a one-time ten percent penalty and one percent interest monthly for delinquent tax payments.

3. According to Mr. Sullivan, the Tax Collector has not had a case where a corporation that operates a City-owned parking lot refused to pay delinquent taxes. If a corporate City-owned parking lot operator did refuse to pay delinquent taxes and owned insufficient equity in their corporate name to pay the tax, the Tax Collector would notify the Controller who monitors these parking lot lease contracts.

Recommendation

Approve the proposed ordinance.

Item 12 - File 127-91-6

This ordinance would amend Articles 7, 9, 12-A and 12-B of Part III of the Municipal Code by amending Section 514(c), 614(c), 914 and 1014, to provide for filing of tax liens to secure the payment of delinquent hotel, parking, payroll, and business taxes.

Description

Under the City's existing Tax Ordinance, all City taxes assessed on business operators are unsecured debts. Although the tax debtor may acknowledge the delinquent tax, the uncollected tax remains an unsecured claim until the Tax Collector's legal section files suit and succeeds in either obtaining an attachment lien or a judgement lien following a court trial. The delinquent account is referred to the Tax Collector's Legal Section for a collection suit only after the tax debtor has either refused to make satisfactory payment arrangements or has defaulted on an existing payment plan. Because the tax debt is unsecured at this point, it is in jeopardy of becoming uncollectible either through the tax debtor's insolvency or through bankruptcy proceedings. Civil collection suits are the only collection remedy authorized by the present Tax Ordinance.

In addition, changes in the bankruptcy laws make many judgement liens for delinquent taxes vulnerable to discharge if the tax debtor is able to convince a court to discharge the delinquent taxes. However, there are specific provisions in the Bankruptcy Code which exempt legislatively authorized tax liens from the normal rules of bankruptcy discharge and lien avoidance. Legislatively authorized tax liens can be recorded as soon as the tax itself is assessed. Recording tax liens quickly helps avoid the loss in tax revenue that occurs during the time before a tax debt has reached legal judgement. The proposed ordinance would provide the Tax Collector with this legislative authorization to record tax liens which would secure the the collection of previously assessed hotel, parking, payroll and business taxes.

Comment

According to the Tax Collector, significant amounts of tax revenues have been lost in recent years because the debtor became insolvent or bankrupt by the time the Tax Collector filed a collection suit. However, according to Mr. Robert Fletcher of the Tax Collector's Office, the Tax Collector's Office is unable to estimate the exact amount of tax revenue the City loses annually due to debtors' insolvency or bankruptcy.

Recommendation

Approve the proposed ordinance.

Item 13 - File 166-91-1

This ordinance would authorize the Tax Collector to accept partial payment of delinquent unsecured personal property taxes in the manner provided by the State.

Description

Currently, the California Revenue and Taxation Code requires the Tax Collector to hold all tax payments that are less than the full amount of taxes plus penalties due to the City in a special account. Although these partial tax revenues are collecting interest in the special account, these partial tax revenues cannot be disbursed to the General Fund until the entire tax obligation is paid in full or the Tax Collector is discharged from further collection responsibilities by a special ordinance from the Board of Supervisors.

The proposed ordinance would provide the Tax Collector the necessary flexibility to utilize partial payment plans as a collection tool for maximizing tax collection on the unsecured roll. In addition, the proposed ordinance would alleviate the need for the Tax Collector's staff to seek the Board of Supervisors' approval through individual ordinances every time a bankruptcy court orders payment of taxes in installment payments.

Comment

Mr. Richard Sullivan of the Tax Collector's Office reports that approximately \$1.3 million in partial tax payments is currently being withheld from the General Fund. Mr. Sullivan reports that as much as \$1.9 million in partial tax payments has been withheld from the General Fund at one time.

Recommendation

Approve the proposed ordinance.

Item 14 - File 153-91-4

Note: This item was continued by the Finance Committee at its meeting of May 22, 1991.

Department: Department of Social Services (DSS)

Item: Resolution authorizing the Department of Social Services to apply for participation in, accept and expend a new State grant.

Grant Amount: Maximum of \$159,348

Source of Grant: State Department of Social Services, Foster Care Program Bureau

Grant Period: May 1, 1991 to June 30, 1992

Project: Family Maintenance Substance Abuse Treatment Project

Project Description: The Family Maintenance Substance Abuse Treatment Project is a pilot program established by State AB 3490. Under the provisions of AB 3490, licensed residential substance abuse treatment facilities will receive foster care payments to purchase special child care and enrichment programs for children residing with their parents in residential treatment programs.

The DSS advises that, in order for residential treatment facilities to be eligible for AB 3490 grant funds, children residing in the facilities must (1) be declared dependents of the court and (2) have a parent that has been ordered by the court to reside in a substance abuse treatment facility as a condition of family maintenance. The reimbursement for each eligible child would be \$271 per month.

The Department of Social Services would be responsible for monitoring and evaluating the Project and for disbursing the AB 3490 grant funds to the residential treatment facilities. DSS advises that these monitoring and evaluation services would be provided on an in-kind basis by existing departmental staff. The DSS has identified the following four licensed residential treatment programs serving women and their children to participate in the pilot project:

Aviva House

This program provides comprehensive services to substance (alcohol and drugs) addicted women. The program offers residential treatment services to six women and six children.

BOARD OF SUPERVISORS
BUDGET ANALYST

OSAP House

This program provides alcohol and drug treatment services to women. The program offers residential treatment services to 15 women and 15 children.

Phoenix House

This program provides comprehensive substance abuse services for poly-drug using women. The program primarily serves women addicted to crack cocaine. The program offers residential treatment services to 14 pregnant women and 10-12 children under the age of six.

Pomeroy House

This program provides comprehensive alcohol recovery services. The program offers residential treatment services to eight women and 11 children.

The DSS reports that the Department chose to limit the pilot project to residential treatment programs for women, because (1) women are generally awarded custody over their children and (2) there are only a few residential treatment programs for women, which results in a large percentage of their children being raised in either substance abusing households or foster care homes. The four projects noted above, are the only licensed residential treatment facilities for women in the City.

The DSS's program goals for the Family Maintenance Substance Abuse Treatment Project are to (1) increase the number of children in family maintenance, (2) reduce foster care expenditures, and (3) improve the health and welfare of children with substance abusing parents.

Project Budget:

As noted above, each eligible child in a participating treatment facility would be entitled to a reimbursement of \$271 per month or \$3,252 annually. The proposed \$159,348 would fund the annual reimbursement cost of \$3,252, for 42 children, for a period of 14 months.

**No. of Persons
to be Served:**

A maximum of 42 children, at any given time.

Required Match:

None

Indirect Costs:

None - the State advised that AB 3490 grant funds may not be used to pay for administrative overhead costs. AB 3490 grant funds are supplemental AFDC payments which can only be expended for direct services for eligible children in residential treatment facilities.

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments:

1. The DSS reports that under the provisions of AB 3490 the Family Maintenance Substance Abuse Treatment Project would be funded for a period of 32 months, for a total maximum grant allocation of \$364,224. The proposed grant amount of a maximum of \$159,348 represents funding for the first 14 months of the pilot program. The remaining \$204,876 would be awarded for the last 18 months of the program. DSS hopes that at the end of the 32-month period that the State will choose to continue the project based on positive project evaluations.
2. The DSS reports that the Department has already applied for this State grant. Therefore, the proposed resolution should be amended to authorize the DPH to apply for this State grant retroactively.
3. As noted above the proposed grant has an effective date of May 1, 1991. However, the DSS advises that no expenditures have been incurred against the proposed grant funds.
4. DSS has been notified by the State that it will receive a maximum amount of \$159,348. However, the actual level of reimbursement will be contingent upon the number of eligible children residing in the four residential treatment facilities which have been designated as participants in the pilot program.
5. Attached is the "Summary of Grant Request" as prepared by the DSS for this State grant.

Recommendation: Amend the proposed resolution to authorize DSS to apply for the proposed State grant retroactively and approve the proposed resolution.

Item No.: _____

Date: April 3, 1991SOCIAL SERVICES COMMISSION - SUMMARY OF GRANT REQUESTFoster Care Program BureauGrantor State Dept. of Social ServicesGrantor Contact Person Jackie RodriguezAddress 744 P StreetSacramento, CA 95814Amount (Requested/Approved) \$159,348Term From 5/1/91 To 6/30/92DSS Program Family & Children ServicesProgram Contact Person Carla JavitsDSS Contract Manager NoneTelephone (415) 557-6333Source of Funds: Federal/State/Other

Board of Supervisors: Finance Committee: Date _____

I. Action:

Request to (apply for) (accept and expend) a (new) (continuation) (allocation) grant in the amount of
\$ 159,348 for the period beginning 5/1/91 to 6/30/92
 to provide special child care provision services.

enrichment programs.

II. Purpose of grant: To enable licensed residential substance abuse treatment
facilities to purchase special child care provision and enrichment programs
for children residing in residential treatment facilities with their mothers.

III. Outcomes/Objectives: (including number of clients to be served)

DSS' objectives are to: (1) reduce foster care expenditures; (2) increase the
number of children in family maintenance and (3) improve the health and welfare
of children with substance abusing parents. A maximum of 42 children will
be served at one time.

IV. Effects of reduction/termination of these funds:

Would make it more difficult for DSS to maintain family units.

V. Expenditures:

| | <u>Col. A</u> (Last Fiscal Year) | <u>Col. B</u> (Current Year if Any) | <u>Col. C</u> (Proposed) | <u>Col. D</u> (Change) | <u>Req. Match</u> |
|------------------|---|--|-----------------------------|---------------------------|-------------------|
| Grant Amount | | | <u>\$159,348</u> | | |
| Personnel | | | <u>0</u> | | |
| Equipment | | | <u>0</u> | | |
| Contracts | | | <u>0</u> | | |
| Mat. & Supplies | | | <u>0</u> | | |
| Facilities/Space | | | <u>0</u> | | |
| Other | | | <u>0</u> | | |
| Indirect Costs | | | <u>0</u> | | |

VI. City Civil Service Personnel: N/A

No. & Class _____

No. & Class _____

VII. Brief description of service to be purchased by contract:N/AVIII. Contractual Services: Open Bid N/ASole Source N/A

Item 15 - File 64-91-7

Department: Police Department

Item: Resolution authorizing the renewal of an existing revocable license for rental of real property.

Location: 450 Seventh Street

Purpose of Lease: Rental of 92 parking spaces for Police Department vehicles.

Licensor: U.S. General Services Administration (GSA)

No. of Sq. Ft.: 27,600 total square feet

Cost per Month: \$4,048 per month for 92 parking spaces or \$44 per parking space

Annual Cost: \$48,576

% Increase Over 1990-91: Approximately 2.3 percent

Term of Lease: July 1, 1991 to June 30, 1992

Right of Renewal: By mutual agreement between the City and GSA, this license is subject to renewal on an annual basis.

Source of Funds: General Fund

Comments:

1. According to Mr. Lloyd Gardner of the Real Estate Department, the monthly rental rate of \$44 per parking space reflects the fair market value for the parking spaces. Mr. Gardner also reports the GSA has reappraised its parcel, and the 2.3 percent increase in the monthly rent reflects the GSA's reappraisal.
2. Mr. Dan Martin of the Police Department reports that the Police Department has included the annual rent for the proposed lease in the Department's FY 1991-92 budget. The availability of funds is subject to the funds being approved in 1991-92 Fiscal Year Annual Appropriation Ordinance.
3. Ms. Julia Sanders of the GSA Real Estate Department reports that the parking lot is secured with a chain link fence and a locked gate.

Recommendation: Approve the proposed ordinance.

Item 16 - File 64-91-9

Department: Police Department

Item: Resolution authorizing the lease of real property

Location: #1 Jones Street -- Hibernia Bank building

Purpose of Lease: Police Station and Administrative Headquarters

Lessor: Pacific Southwest Realty Company

No. of Sq. Ft. and Cost per Month: 40,000 square feet, @ \$.5465/sq.ft./month = \$21,860 per month payable in arrears and only if the City does not exercise its option to purchase the property.

Annual Cost: \$262,320

Utilities and Janitor Services Provided by Lessor: No

Term of Lease: July 1, 1991 through April 30, 1993

Right of Renewal: Yes

Source of Funds: San Francisco Police Department 1987 General Obligation Bonds

Description: The proposed resolution would authorize the Police Department to lease the Hibernia Bank building, a designated landmark, located at #1 Jones Street for one year and ten months. The proposed lease agreement grants the City the option to either extend the initial lease term for an additional ten years or purchase the building. If the City were to exercise its option to purchase the building during the initial lease term, all accrued rent would be waived. The City's option to purchase the building is on the following basis:

| <u>Date</u> | <u>Price</u> |
|--------------------------|--------------|
| Prior to May 1, 1992 | \$1,800,000 |
| Prior to August 1, 1992 | 2,000,000 |
| Prior to January 1, 1993 | 2,075,000 |
| Prior to April 30, 1993 | 2,100,000 |

The Police Department would initially use the Hibernia Bank building to house the Tenderloin Task Force to patrol the Tenderloin District. The Tenderloin Task Force is comprised of 70 Police Officers that have been transferred from the Central, Northern and Southern Stations. The Tenderloin Task Force has been housed in the Southern Station in the Hall of Justice since its inception two months ago. The staffing would cover two to two and a half shifts (early morning through midnight). The workload at the Central Station would be reduced by approximately 40 percent. The Central Station is 8,000 square feet and with the number of personnel assigned to it, it should consist of 20,000 to 24,000 square feet. With fewer personnel at the Central Station, the Police Department can renovate the existing Central Station building rather than relocate it.

It is the Police Department's intent to purchase the building for renovation as a Police Station and Administrative Headquarters. An Environmental Impact Review (EIR) will be conducted during the year prior to purchasing the building. According to Lt. Tom Suttmeier of the Police Department, the personnel in the Southern Station in the Hall of Justice would be moved to the Hibernia Bank building once the building has been restored. During the initial lease period, the City would conduct building assessments and studies associated with the proposed acquisition and renovation of the Hibernia Bank building. After the Police Department personnel leave the Southern Station that comprises 2,000 square feet in the Hall of Justice, the Records Room and ID Bureau would relocate from the fourth floor into the first floor of the Hall of Justice. The Inspector's Bureau, currently located on the fourth floor, would spread out on the fourth floor.

Comments:

1. Although the subject of future legislation, Lt. Suttmeier advises that the funding for the purchase of the Hibernia Bank building would come from Proposition A Bond funds. Approximately \$2,800,000 was tentatively budgeted for renovations to expand the Central Station. Instead of using the entire \$2,800,000 on Central Station renovations, the Police Department intends to use \$1,800,000 to purchase the Hibernia Bank building and \$1,000,000 on Central Station renovations. According to Lt. Suttmeier, seismic upgrade renovations of the Hibernia Bank building would be included in the next seismic bond issue which is tentatively scheduled to take place sometime next year. Lt. Suttmeier advises that the Hibernia Bank building would not require more than the seismic upgrading to turn the Hibernia Bank building into a Police Station. Lt. Suttmeier was unable to estimate the costs associated with the proposed seismic upgrade.

BOARD OF SUPERVISORS
BUDGET ANALYST

2. Mr. Larry Ritter of the Real Estate Department advises that the proposed rental amount of .5465 per square foot for the Hibernia Bank building is in accordance with the fair market value of the property. In addition, Mr. Ritter advises that the various option purchase prices of the Hibernia Bank building, which at \$1.8 million would be \$45 per square foot, is in accordance with the fair market value of the property.

3. Lt. Suttmeier reports that the lessor is willing to allow the Police Department to use the Hibernia Bank building at no rental cost to the City up until April 30, 1993 as a part of the proposed purchase agreement. In addition, the lessor does not intend to lease the building to another party during the tentative one-year period before the Police Department is proposing to purchase the building. The proposed lease agreement is to ensure that the lessor receives a rental payment of \$21,860 per month until April 30, 1993 for use of the space if the City decides not to purchase the Hibernia Bank building.

4. Lt. Suttmeier reports that the annual operating costs of the Hibernia Bank building would be approximately \$203,000, \$161,000 of which would fund janitorial services.

5. The Police Department intends to lease an adjacent parking lot with 25 parking spaces for approximately \$1,000 a month to park the Police Department vehicles. The parking lot lease will not require the Board of Supervisors approval because the Director of Real Estate may enter into leases of \$1,000 a month or less without Board approval.

6. The proposed resolution does not authorize the Police Department to purchase the Hibernia Bank building nor does it authorize the issuance or expenditure of bond funds to finance the seismic upgrading of the building. The purchase of the Hibernia Bank building, the bond issuance and the expenditure of the bonds will require future approval by the Board of Supervisors.

7. Although the proposed resolution would not authorize the purchase of a new Police Station, it would authorize the creation of a new Police Station in the City's Tenderloin District. The Budget Analyst believes that the creation of a new Police Station is a policy matter for the Board of Supervisors, particularly given the City's current fiscal condition.

Recommendation: The proposed resolution is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 17 - File 94-91-2

Department: Public Utilities Commission (PUC),
Hetch Hetchy Water and Power

Item: Resolution authorizing the Public Utilities Commission to apply for an energy conservation loan from the California Energy Commission for up to \$1.3 million for the purpose of making energy efficiency improvements in the Hall of Justice and the New Sheriff's Facility.

Amount: \$1,300,000

Source of Funds: California Energy Commission Energy Conservation (CEC) Loan Program

Description: The PUC's Hetch Hetchy Water and Power Department proposes to apply for a \$1.3 million energy conservation loan from the California Energy Commission to fund the acquisition of energy efficient lighting, and Heating, Ventilation and Air Conditioning (HVAC) equipment for the Hall of Justice and the New Sheriff's Facility. When completed, the New Sheriff's Facility will house new intake/booking/release, work furlough, and medical facilities.

The new equipment would include:

New Sheriff's Facility:

| | |
|--|--------------|
| 6 two-speed ventilation fans | \$34,682 |
| 6 variable speed air-supply fans | 42,000 |
| Energy efficient lighting | 18,000 |
| Skylights | <u>7,950</u> |
| Subtotal, equipment for New Sheriff's Facility | \$102,632 |

Hall of Justice:

| | |
|--|--------------------|
| New water chillers for air conditioning system | \$687,142 |
| Improved HVAC controls | 374,249 |
| Contingency | <u>135,977</u> |
| Subtotal, Hall of Justice equipment | <u>\$1,197,368</u> |
| Total new equipment | \$1,300,000 |

Comments:

1. The PUC's Bureau of Energy Conservation (BEC) reports that the existing water chillers for the air conditioning system at the Hall of Justice are 31 years old, with a designed useful life of 25 years. According to the Department of Public Works, the Hall of Justice water chillers are nearing the point of failure. Original plans called for the replacement of the existing water chillers with larger units to accommodate the Hall of Justice and the additional ventilation requirements of the New Sheriff's Facility. However, insufficient budgeted construction funds precluded the full replacement of the water chillers and forced the New Sheriff's Facility to be designed with a smaller, separate water chiller. According to the BEC, replacement of the existing water chillers with new, more efficient equipment would avoid future repair and replacement costs and save approximately \$43,000, annually, from reduced energy consumption. The new equipment would also provide sufficient heating and air conditioning to service both the Hall of Justice and the New Sheriff's Facility, thus eliminating the need to install a separate chiller in the New Sheriff's Facility.

2. The California Energy Commission would provide the loan at an interest rate of 8.25 percent to be paid back over a term of ten years. Mr. Terry O'Sullivan of the BEC advises that the annual payment on the loan is expected to be approximately \$217,000.

3. The BEC estimates that the City would accrue energy savings of approximately \$230,000 per year. Including the total cost of the loan, the BEC estimates that installation of the energy saving equipment would produce a net savings of nearly \$3.5 million in reduced energy costs and avoided equipment purchase costs over the life of the equipment. The net present value of those savings, including the cost of the loan, would be \$1.5 million. The Budget Analyst has reviewed these estimates and believes the net savings of \$1.5 million to be conservative.

4. The entire annual cost of the loan, amounting to \$217,000, is proposed to be recovered through an increase in the General Fund paid facilities charge for gas and electricity used by the Hall of Justice to be paid back over ten years. This charge would be included in the Bureau of Light, Heat, and Power's budget. However, according to Mr. O'Sullivan, the estimated savings that would be allocated to the General Fund is only \$180,000 per year (78 percent of the total of \$230,000). The remaining \$50,000 of the total of \$230,000 would accrue to Hetch Hetchy's operating fund. Therefore, the net cost to the General Fund would be approximately \$37,000 per year (\$217,000 loan payment less \$180,000 in savings).

5. Given that the General Fund would only receive 78 percent of the estimated annual savings from the new energy saving equipment, the Budget Analyst recommends that only 78 percent of the annual loan cost be paid by the General Fund. The remaining 22 percent of the annual loan payment should be paid by Hetch Hetchy. If the annual loan costs were allocated in this fashion, the annual loan cost to the General Fund would be approximately \$170,000 (78 percent times \$217,000) while the share of the annual loan cost to Hetch Hetchy would be \$47,000. This would result in a net General Fund benefit to the City of \$10,000 per year or \$100,000 over the ten-year term of the loan (\$180,000 annual savings less \$170,000 annual share of the loan cost). However, the General Fund would receive the full \$180,000 share of the annual energy savings from the time the loan is paid off in the tenth year through the end of the equipment's useful life in the 25th year.

6. Mr. O'Sullivan has stated that the \$50,000 in savings that would accrue to Hetch Hetchy could indirectly benefit the City's General Fund through increased revenue transfers to the General Fund from Hetch Hetchy. In FY 1990-91, the estimated revenue transfer to the General Fund is approximately \$15 million.

7. It should also be noted that, according to Mr. O'Sullivan, the first payment on the loan would be made in FY 1992-93. Mr. Peter Goldstein of the Mayor's Office reports that although the loan would pose no budgetary impact in 1991-92, the Mayor's Office is presently negotiating with the PUC and Hetch Hetchy to allocate the payment of the loan costs between the City's General Fund budget and Hetch Hetchy budget for FY 1992-93.

8. According to Mr. O'Sullivan, the Controller's Office had raised concerns about whether the City's lease-purchase financing corporation could instead finance the purchase of the new equipment at a lower interest rate (possibly seven percent) than the 8.25 percent offered by loan from the California Energy Commission (CEC). Mr. Fred Weiner of the CAO's Office reports that the CAO's Office could not give any assurances that this project would be accepted for financing when the City's proposed lease-purchase projects are reviewed in September, 1991. Mr. O'Sullivan further indicated that the State's energy conservation loan funds may be eliminated during the next fiscal year, and as such, the State CEC staff strongly urged the City to apply for the loan funds while they are currently available. Mr. O'Sullivan and Mr. Weiner also point out that applying for the loan would not necessarily obligate the City to accept the funds. The City could opt to return the CEC loan if lease-purchase monies could be obtained from the City's nonprofit finance corporation at a reduced interest rate.

9. Mr. O'Sullivan has advised the Budget Analyst that the City Attorney's Office has requested that this item be continued for one week. Mr. Robert Kenealey of the City Attorney's Office advises that the State Constitution prohibits the pledging of General Fund debt of over one year without a two-thirds approval of the electorate, and the proposed loan may violate this provision. Therefore, Mr. Kenealey has requested continuance of the proposed resolution to enable the City Attorney's Office to examine the Constitutional issue further.

Recommendation: Continue the proposed resolution for one week, as requested by the City Attorney's Office.

Item 18 - File 130-91-1

Department: Adult Probation

Item: Resolution authorizing the Chief Adult Probation Officer to apply for, accept and expend a continuation State grant, and agreeing to provide matching funds of \$19,792.

Grant Amount: \$40,948

Grant Period: July 1, 1991 through June 30, 1992

Source of Funds: State Office of Criminal Justice Planning (OCJP)

Description: This is the fifth year of funding for the proposed grant. The proposed grant would be used to fund one full-time 8442 Senior Probation Officer, including required OCJP travel costs, and operating expenses to provide intensive supervision and surveillance to enforce the conditions of high risk offenders on probation for gang-related criminal activity. The Senior Probation Officer works closely with the Police Department, District Attorney's Office, and various treatment providers to provide offenders with drug treatment and other rehabilitative services.

No. of Persons Served: 50 adult probationers involved in gang activity.

Indirect Costs: \$4,924 or approximately ten percent of salaries.

| | | | | |
|------------------------|--|------------|--------------|----------|
| Project Budget: | <u>Personnel</u> | <u>FTE</u> | | |
| | Probation Officer | 1.0 | \$49,235 | |
| | Fringe Benefits | | <u>2,532</u> | |
| | Total Personnel | 1.0 | | \$51,767 |
| | <u>Travel</u> | | | |
| | 2 Southern CA Conferences | | 1,070 | |
| | Statewide Gang Task Force Monthly Meetings | | 427 | |
| | Use of Employee Car for Field Work | | <u>430</u> | |
| | Total Travel | | | 1,927 |
| | <u>Operating Expenses</u> | | | |
| | Membership Dues | | | |
| | Northern Calif. Investigators Assoc. | | 15 | |
| | Supplies & Forms | | 900 | |
| | Telephone | | 600 | |
| | Audit | | <u>607</u> | |
| | Total Operating Expenses | | | 2,122 |

BOARD OF SUPERVISORS
BUDGET ANALYST

| | |
|----------------------|---------------|
| Indirect Costs | <u>4,924</u> |
| Total Project Budget | \$60,740 |
| Less Required Match | <u>19,792</u> |
| Total Proposed Grant | \$40,948 |

Required Match: \$19,792 or approximately 32.6 percent of the total project budget. The required match of \$19,792 is requested in the Adult Probation Department's FY 1991-92 budget.

Comments:

1. Mr. Tom Job of the Adult Probation Department reports that if the proposed grant funds are reduced or terminated then the grant-funded staff position would be similarly reduced or terminated.
2. The proposed grant award of \$40,948 represents a decrease of approximately 1.3 percent over the FY 1990-91 grant award of \$41,500.
3. Attached is the "Summary of Grant Request" as prepared by the Adult Probation Department.

Recommendation: Approve the proposed resolution.

Rev. 4/10/90

Division Adult Probation Department
Section Community Services
Contact Person Sergio Calizo
Telephone 553-1919

Application Deadline 4-30-91
Notification Expected _____

_____ Board of Supervisors: Finance Committee _____
Full Board _____

1. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (renewal) (reauthorization) (re)
(Circle appropriate words) grant in the amount of \$ 40,948 from the period of 7-1-91 to 6-30-92
to provide intensive supervision services.

II. Summary: (Contact/binary; need addressed; member + groups served; services and providers)

This grant is entering its sixth year. One probation officer intensively supervises a caseload of up to 50 probationers who are gang members. The majority of the caseload is Hispanic. The officer has a thorough knowledge of Hispanic gang activities and of community resources. He works closely with the police, DA and various treatment providers.

III. Outcomes/Objectives:

The objective is to lower the recidivism of probationers assigned to the grant case-load, either through their rehabilitation or their prompt incarceration if they commit probation violations.

IV. Effects of Reduction or Termination of These Funds:

The program would end, resulting in the removal from close probation supervision of 50 felons who are members of criminal gangs. Those individuals would be less likely to receive rehabilitative services or to be returned to court promptly for violations of probation.

V. Financial Information;

| | Col. A | Col. B | Col. C | Col. D | Req. Match | Approved by |
|------------------|---------------|-----------------|----------|--------|------------|-------------|
| | Two Years Ago | Past Year/Orig. | Proposed | Change | | |
| Grant Amount | 41,500 | 41,500 | 40,948 | - 552 | 19,792 | |
| Personnel | 54,131 | 57,308 | 51,767 | -5,541 | | |
| Equipment | 0 | 0 | 0 | | | |
| *Contract Svc. | 0 | 0 | 0 | | | |
| Mat. & Supp. | 0 | 0 | 900 | + 900 | | |
| Facilities/Space | 0 | 0 | 0 | | | |
| Other | 2,111 | 2,527 | 3,149 | + 622 | | |
| Indirect Costs | 3,912 | 4,525 | 4,924 | + 399 | | |

VL Data Processing

(costs included above)

N/A

VII. Personnel

| | | | | | |
|-------------|----------|----------|----------|----------|---------------|
| F/T CSC | <u>1</u> | <u>1</u> | <u>1</u> | None | <u> </u> |
| P/T CSC | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u> </u> |
| Contractual | 0 | 0 | 0 | 0 | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

N/A

Will grant funded employees be retained after this grant terminates? If so, How?

Yes, because of seniority. However, the most recently hired probation officer in the Department would be laid off.

| *VIII. Contractual Services: Open Bid | Sole Source | (if sole source attach Request for Exemption Form) |
|---------------------------------------|-------------|--|
| | | |

Item 19 - File 130-91-2

Department: Adult Probation

Item: Resolution authorizing the Chief Probation Officer of the City and County of San Francisco to retroactively apply for a new grant.

Grant Amount: \$5,000

Grant Period: July 1, 1991 through June 30, 1992

Source of Funds: American Probation and Parole Association

Project: Drug Testing

Description: The proposed grant funds would be used to administer between 500 and 600 additional urinalysis tests for high risk felony offenders assigned to the Adult Probation Department's Intensive Services Unit. High risk repeat offenders who either have a history of drug abuse, or have been prosecuted for drug related crimes are often required by Courts to submit to drug testing as a condition of their probation.

Required Match: None.

No. of Persons Served: Approximately 180 high risk felony offenders.

Project Budget:

| | | |
|-------------------------------|------------|--------------|
| <u>Personnel</u> | <u>FTE</u> | |
| Assistant Toxicologist | .07 | \$2,700 |
| Fringe Benefits | | <u>150</u> |
| Total Personnel | | \$2,850 |
| <u>Materials and Supplies</u> | | <u>2,150</u> |
| Total Budget | | \$5,000 |

Indirect Costs: None.

Comment: 1. On May 20, 1991, the Board of Supervisors approved an ordinance (File 97-91-16.1) requiring that all grant resolutions include indirect costs or the reasons why the indirect costs cannot be included in the grant. Mr. Tom Job of the Adult Probation Department reports that indirect costs were not included as part of the proposed grant budget because the American Probation and Parole Association requires that at least 500 tests be performed with the proposed grant. Mr. Job reports that the average price of a drug test including personnel and supplies is ten dollars. Mr. Job

BOARD OF SUPERVISORS
BUDGET ANALYST

indicates that the proposed grant does not include indirect costs because all funds are needed to provide the grantor required 500 drug tests. Exclusion of indirect costs for the proposed grant should be considered as a separate policy matter by the Board of Supervisors.

2. Mr. Peter Pardini of the Adult Probation Department reports that the Department has requested \$4,500 for drug testing in its FY 1991-92 budget. The proposed grant of \$5,000 would increase the Department's drug testing budget by over 111 percent. Mr. Job indicates that there are currently approximately 3,000 persons with drug testing as a condition of probation. Mr. Job indicates that including the proposed grant along with the Department's requested FY 1991-92 budget, less than half of those 3,000 persons would be reached.

3. The \$2,150 budgeted for supplies includes requests for screening samples, solvents, standards and supplies for confirming results of drug tests, containers, evidence envelopes, and seals for samples collection.

4. According to Mr. Job, the Adult Probation Department applied for the grant on April 17, 1991.

5. Attached is the "Summary of Grant Request" as prepared by the Adult Probation Department.

Recommendation: Approve the proposed grant. However, approval for the Chief Adult Probation Officer to exclude indirect costs as a part of the proposed project budget is a policy matter for the Board of Supervisors.

Item No. ADULT PROBATION - Summary of Grant Request

Rev. 4/10/90

Grantor American Probation & Parole Assn.
 Contact Person Ed Tedder
 Address Iron Works Pike, P.O. Box 11910
Lexington, KY 40578
 Amount Requested \$ 5,000
 Term: From 7-1-91 To 6-30-92

Division Adult Probation
 Section Community Services
 Contact Person Tom Job
 Telephone 553-1720
 Application Deadline 4-22-91
 Notification Expected

Board of Supervisors: Finance Committee Full Board

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a)
 (Circle appropriate words) grant in the amount of \$ 5,000 from the period of 7-1-91 to 6-30-92
 to provide drug testing (urinalysis) services.

II. Summary: (Content/summary; need addressed; number & groups served; services and providers)

This grant would be used to perform an additional 500 urinalysis tests in a 12 month period on approximately 180 high risk felony offenders assigned to the Department's Intensive Services Unit. The samples would be taken by probation officers and analyzed by the S.F. Coroner's Office. The funding source would provide technical assistance in measuring the effectiveness of the testing program.

III. Outcomes/Objectives:

The objective is to reduce the commission of new offenses by the probationers in the program, either by their rehabilitation through drug treatment or their prompt return to court for technical violations of probation, such as failed drug testing.

IV. Effects of Reduction or Termination of These Funds:

This grant would increase the Department's existing drug testing budget by over 150%. Loss of this funding would sharply curtail the amount of court ordered testing which the Department could perform.

V. Financial Information:

| | Col. A | Col. B | Col. C | Col. D | Req. Match | Approved by |
|------------------|---------------|-----------------|----------|--------|------------|-------------|
| | Two Years Ago | Past Year/Orig. | Proposed | Change | | |
| Grant Amount | N/A | N/A | 0 | N/A | None | |
| Personnel | | | 2850 | | | |
| Equipment | | | 0 | | | |
| *Contract Svc. | | | 0 | | | |
| Mat. & Supp. | | | 2150 | | | |
| Facilities/Space | | | 0 | | | |
| Other | | | 0 | | | |
| Indirect Costs | | | 0 | | | |

VI. Data Processing

(items included above)

N/A

VII. Personnel

F/T CSC

N/A

P/T CSC

Contractual

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
City and County of San Francisco

Will grant funded employees be retained after this grant terminates? If so, How?

Yes The grant would pay only a small part of the salary and benefits of a permanent city employee (assistant toxicologist).

*VIII. Contractual Services: Open Bid Sole Source (if sole source attach Request for Proposals Form)

Item 20 - File 146-91-16.1

Department: Department of Public Health (DPH),
Emergency Medical Services (EMS) Agency

Item: Resolution authorizing the DPH to accept and expend a new
State grant.

Grant Amount: \$14,300

Source of Funds: State Emergency Medical Services (EMS) Authority

Grant Period: June 1991 through June 1992

Project: Pediatric Prehospital Care: Paramedic Training Standards

Project Description: The proposed grant would fund the Pediatric Critical Care
Coalition project which would address deficiencies in
pediatric training in emergency medicine. The proposed
project would consist of the following three phases:

- 1) Survey existing Emergency Medical Technician (EMT)-
Paramedic training programs throughout the State to assess
pediatric content.
- 2) Establish curriculum content for pediatric courses.
- 3) Write specific learning objectives and content
specifications for California EMT-Paramedic training.

Project Budget: University of California, San Francisco

| <u>Item</u> | <u>Amount</u> |
|---------------------------------------|---------------|
| Travel | |
| Airfare | \$4,500 |
| Meals | 500 |
| Telephone and Fax | 800 |
| Materials and Supplies | 700 |
| Printing and mailing | 1,200 |
| Federal Express | 400 |
| Hotel Meeting Room | 1,000 |
| Administrative Assistant (.18 FTE) | 3,550 |
| Fringe Benefits | <u>350</u> |
| Subtotal UCSF | \$13,000 |
| Indirect Costs | <u>1,300</u> |
| Total Budget | \$14,300 |

BOARD OF SUPERVISORS
BUDGET ANALYST

Local Match: None

Indirect Costs: Ten percent of contractual services.

Comments: 1. Ms. Abbie Yant of the DPH reports that the contract would be awarded on a sole source basis to the University of California, San Francisco (UCSF) under the direction of Dr. Ronald Dieckman. Dr. Dieckman is the Chairperson of the Pediatric Critical Care Coalition and faculty member at the UCSF. The contract is sole source due to the uniqueness of Dr. Dieckman's services. The \$13,000 budgeted for UCSF would be used to fund the related operating costs of the Pediatric Prehospital Care: Paramedic Training Standards Project and would not be used to compensate Dr. Dieckman for his services, who is funded by UCSF.

2. The grantor will only accept applications from EMS agencies for this type of grant. Therefore, in conjunction with UCSF, the EMS agency is applying for the proposed grant funding for UCSF while retaining \$1,300 or ten percent of the grant amount for indirect costs.

3. The DPH has received notification from the grantor that the grant award will be \$14,300.

Recommendation: Approve the proposed resolution.

Item 21 - File 146-91-36

Department: Department of Public Health (DPH)

Item: Resolution authorizing the DPH's Public Health Laboratory to accept and expend an augmentation to a Federal grant.

Grant Amount: \$15,000

Grant Period: December 1, 1989 through April 30, 1992.

Source of Grant: National Institute of Health, National Center for Research Resources

Grant Project: AIDS Infrastructure: Alteration and Renovation of the Public Health Laboratory

Project Description: The Board of Supervisors authorized the DPH to accept and expend an AIDS Infrastructure grant of \$985,000 (File 146-89-15) on March 29, 1989. The grant project would provide for major alterations and renovation of space within the DPH, Public Health Laboratory located at 101 Grove Street in the Central Office of DPH. The proposed augmentation funds would be used by DPH for further alterations and renovation of existing space.

| Grant Budget: | <u>Construction</u> | <u>Current</u> <u>Budget</u> | <u>Augmentation</u> <u>Budget</u> | <u>Total</u> <u>Budget</u> |
|---------------|--|---------------------------------|--------------------------------------|-------------------------------|
| | Permits, Fees, Materials Needed to Set-Up Construction Site, Bond Insurance and Start-up Costs | \$75,000 | \$ | \$75,000 |
| | Demolition | 37,500 | | 37,500 |
| | Plumbing | 105,000 | | 105,000 |
| | HVAC (heating, air conditioning, ventilation) | 52,500 | | 52,500 |
| | Electrical | 91,000 | | 91,000 |
| | General Construction and Work Bench Installation | 257,500 | 15,000 | 272,500 |
| | Field Tests | 7,500 | | 7,500 |
| | Subtotal | \$626,000 | \$15,000 | \$641,000 |

BOARD OF SUPERVISORS
BUDGET ANALYST

| | <u>Current Budget</u> | <u>Augmentation Budget</u> | <u>Total Budget</u> |
|------------------------------|---------------------------|--------------------------------|-------------------------|
| <u>Equipment</u> | | | |
| 2 steam sterilizers | \$90,000 | | \$90,000 |
| 1 glassware washer | 25,000 | | 25,000 |
| 1 bio-safety cabinet | 10,000 | | 10,000 |
| 1 chemical fume hood | <u>9,000</u> | | <u>9,000</u> |
| Subtotal | \$134,000 | | \$134,000 |
| <u>Design Services</u> | | | |
| Architectural Fee | \$52,500 | | \$52,500 |
| Engineering Fee | 45,000 | | 45,000 |
| Building Permit | <u>7,500</u> | | <u>7,500</u> |
| Subtotal | \$105,000 | | \$105,000 |
| <u>Construction Services</u> | | | |
| Management Inspection | \$82,500 | | \$82,500 |
| <u>Project Contingency</u> | <u>\$ 37,500</u> | <u> </u> | <u>\$37,500</u> |
| Total | <u>\$985,000</u> | <u>\$15,000</u> | <u>\$1,000,000</u> |

The total net square feet of renovation work for this project would be 3,232 sq. ft. The estimated cost per square foot, excluding equipment and including augmentation funds, would be \$267.95

Required Match: None

Indirect Cost: None

Comments:

1. On May 20, 1991, the Board of Supervisors approved an ordinance (File 97-91-161) requiring that all grant resolutions include indirect cost or the reasons why indirect costs cannot be included in the grant. According to Dr. Back of the DPH, the guidelines published by the National Institute of Health, National Center for Research Resource state that no indirect cost be allowed for this grant.
2. The grant period of December 1, 1989 through April 30, 1992 corresponds to the original grant. Augmentation funds will not be received until this resolution is passed authorizing the acceptance and expending of the augmentation. According to Dr. Back, the authorization to apply for this augmentation has not been requested. However, the grant has been applied for and has been awarded. Therefore, the legislation should be amended to include authorization to retroactively apply for this grant.

BOARD OF SUPERVISORS
BUDGET ANALYST

3. According to Dr. Back, the grant stipulates that construction of the laboratory renovation must begin by April 30, 1992. Currently, preliminary planning and design has been performed but actual ground breaking has not occurred.

4. Attached is the Health Commission's "Summary of Grant Request" as prepared by the DPH.

Recommendation: Amend the proposed resolution to retroactively authorize DPH to apply for the proposed grant. Approve the resolution as amended.

Grantor National Institutes of Health
 Contact Person Ms Kathy Springman
 Address Westwood Bldg. Rm. 849; 5333 Westbard
Bethesda, MD 20892
 Amount Requested \$ 15,000
 Term: From 9/27/90 To 3/24/92
 Health Commission _____ Board of Supervisors: Finance Committee _____
 Full Board _____

Division C.P.H.S.
 Section Public Health Laboratory
 Contact Person Arthur Back, Dr. P.H.
 Telephone (415) 554-2800
 Application Deadline _____
 Notification Expected _____

I. Item Description: Request to ~~(apply for)~~ (accept and expend) ~~a fund~~ (commitment) (allocation) (augmentation to a) grant in the amount of \$ 15,000 from the period of 9/27/90 to 3/24/92 to provide Alteration and Renovation services.

II. Summary: (Contact history; need addressed; number + groups served; services and providers)

This \$15,000 augmentation is to provide an increase to the \$ 985,000 previously awarded for alteration and renovation for the AIDS testing section of the Public Health Laboratory, 101 Grove Street.

III. Outcomes/Objectives:

Alteration and renovation of the existing laboratory will provide for a safer and more efficient work area for personnel performing HIV and other communicable disease testing.

IV. Effects of Reduction or Termination of These Funds:

These are one-time grant funds to be used for the alteration and renovation of existing space.

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Year/Orig. 985,000 | Col. C Proposed 15,000 | Col. D Change +15,000 | Req. Match N/A | Approved by |
|------------------|-------------------------|--------------------------------------|------------------------------|-----------------------------|-------------------|-------------|
| Grant Amount | | | | | N/A | |
| Personnel | | 0 | 0 | 0 | N/A | |
| Equipment | | 36,000 | 0 | 0 | N/A | |
| Contract Svc. | | 0 | 0 | 0 | N/A | |
| Mat. & Supp. | | 0 | 0 | 0 | N/A | |
| Facilities/Space | | 949,000 | 15,000 | +15,000 | N/A | |
| Other | | 0 | 0 | 0 | N/A | |
| Indirect Costs | | 0 | 0 | 0 | N/A | |

VI. Data Processing

(costs included above)

N/A N/A N/A N/A

VII. Personnel

| | | | | |
|-------------|-----|-----|-----|-----|
| F/T CSC | N/A | N/A | N/A | N/A |
| P/T CSC | N/A | N/A | N/A | N/A |
| Contractual | N/A | N/A | N/A | N/A |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
N/A

Will grant funded employees be retained after this grant terminates? If so, How?

N/A

VIII. Contractual Services: Open Bid N/A Sole Source _____ (if sole source, attach Request for Exemption Form)

Item 22 - File 146-91-39

Department: Department of Public Health (DPH)
Bureau of Epidemiology and Disease Control

Item: Resolution authorizing the Department of Public Health to accept and expend a continuation State grant.

Grant Amount: \$94,772

Source of Funds: State Department of Health Services

Grant Period: July 1, 1991 through June 30, 1992

Project: Immunization Services

Description: The Board of Supervisors authorized the DPH to apply for the proposed grant (File No. 146-91-25) on April 2, 1991. The proposed grant funds would be used to fund the administration of the City's immunization programs, and to maintain a program to prevent perinatal transmission of Hepatitis B virus. The proposed grant funds would consolidate two continuation State grants, Immunization Services and the Perinatal Hepatitis B Prevention Program. The program's objectives are as follows:

To raise or maintain immunization levels to 98 percent or greater for each of the legally required immunizations among all kindergarten entrants and incoming transfer students attending schools within San Francisco.

To raise age-appropriate immunization levels to 95 percent or greater among infants and pre-school age children residing in San Francisco.

To reduce, and if possible, eliminate illness, disability, and death due to vaccine preventable diseases such as polio, diphtheria, tetanus, measles and mumps in San Francisco.

To assure that 90 percent of infants who are born in San Francisco and who are perinatally exposed to Hepatitis B receive HBIG (emergency vaccine) and a first dose of Hepatitis B vaccine within 12 hours of birth.

To assure that 75 percent of identified infants who live in San Francisco and are at high risk of perinatal Hepatitis B transmission complete the Hepatitis B vaccine series.

To assure that at least 70 percent of household contacts of identified carrier mothers who live in San Francisco are screened and complete the Hepatitis B vaccine series.

**No. of Units of
Service:**

Approximately 36,552 childhood immunizations, approximately 70 to 90 pregnant women identified as Hepatitis B carriers, and approximately 140 to 360 household contacts of identified Hepatitis B carriers.

Project Budget:

| <u>Personnel</u> | <u>FTE</u> | |
|--|------------|---------------|
| Senior Disease Control Investigator (7/1/91 through 12/31/91) | 1.00 | \$33,744 |
| Senior Disease Control Investigator (1/1/92 through 6/30/92) | 1.00 | \$35,448 |
| Fringe Benefits | | <u>18,820</u> |
| Total Personnel | 2.00 | 88,012 |

| | |
|------------------------|-------|
| <u>Office Supplies</u> | 1,280 |
|------------------------|-------|

Health Education Materials

Included would be the printing of health education and public information materials for distribution to laboratories, healthcare providers and at risk populations. 755

Contractual Services

Laboratory services for testing household contacts of identified carrier mothers of Hepatitis B. 3,500

Travel

Included would be travel expenses incurred by the program coordinators and support staff to conduct site visits, field investigations and to attend State meetings or conferences. 1,225

| | |
|---------------|----------|
| Total Project | \$94,772 |
|---------------|----------|

Indirect Costs: None. The State requires that funds be used for direct program services and does not allow indirect costs.

Required Match: None.

Comments: 1. According to Mr. Carlos Rendon of the DPH, the two Senior Disease Control Investigators are existing positions in the DPH. Mr. Rendon reports that if grant funds are reduced or terminated, then these grant-funded positions would be similarly reduced or terminated. Mr. Rendon also reports that the \$35,448 budgeted for the Senior Disease Control

BOARD OF SUPERVISORS
BUDGET ANALYST

Investigator beginning on January 1, 1992 is an increase of five percent over the \$33,744 budgeted for these positions from July 1, 1991 through December 31, 1991 because the DPH anticipates that both of these incumbents would be eligible for the next step in the Civil Service classification.

2. Mr. Rendon reports that the currently proposed project budget does not assume salary standardization increases for FY 1991-92. Mr. Rendon reports that if salary standardization increases are approved for FY 1991-92, office supplies, health education materials, and travel would be reduced to adjust for the increase in salary. Mr. Rendon indicates that the number of immunizations provided would not be decreased because the State provides the vaccines to the DPH separately from the proposed grant.

3. Mr. Rendon reports that the \$3,500 Contractual Services would be done through a term purchase agreement by Damon Clinical Laboratories, which is located in San Francisco. Mr. Bayard Fong of the Human Rights Commission reports that Damon Clinical Laboratories is neither a MBE or WBE firm, and Damon Clinical Laboratories is not certified as a LBE firm although it is located in San Francisco.

4. The 1991-92 proposed grant award of \$94,772 (\$36,600 for Immunization Services and \$58,172 for the Perinatal Hepatitis B Prevention Program) represents an increase of \$13,172 or 16 percent over the 1990-91 grant award of \$81,600 (\$36,600 for Immunization Services and \$45,000 for the Perinatal Hepatitis B Prevention Program). All of the proposed increase in funds would be for the Perinatal Hepatitis B Prevention Program.

5. Attached is the Health Commission's "Summary of Grant Request" as prepared by the DPH.

Recommendation: Approve the proposed resolution.

Health Commission - Summary of Grant Request

Rev. 4/10/90

| | |
|---|---|
| Sponsor <u>State Dept. of Health Services</u> Contact Person <u>Les Burd</u> Address <u>2151 Berkeley Way</u> <u>Berkeley, CA 94704</u> Amount Requested \$ <u>94,772</u> Term: From <u>7/1/91</u> To <u>6/30/92</u> Health Commission <u>4/16/91</u> | Division <u>Community Public Health Service</u> Section <u>Epidemiology & Disease Control</u> Contact Person <u>Carlos Rendon</u> Telephone <u>554-2832</u> Application Deadline <u>April 15, 1991</u> Notification Expected <u>May 15, 1991</u> Board of Supervisors: Finance Committee <u>5/15/91</u> <u>Full Board</u> |
|---|---|

I. Item Description: Request to apply for (accept and expend) a new (continuation) additional (modification) grant in the amount of \$ 94,772 from the period of 7/1/91 to 6/30/92 to provide immunizations & perinatal hepatitis B prevention services.

(Circle appropriate words)

II. Summary: (Concise summary; need addressed; number + groups served; services and providers)
A grant to fund the administration of the City's immunization programs, and maintain a program to prevent perinatal transmission of hepatitis B virus. The program provides approx. 36,552 childhood immunizations, the screening of pregnant women with approximately 70 to 90 pregnant women identified as hepatitis B carriers, and for immunoprophylaxis of the infants born to hepatitis B antigen positive pregnant women, as well as to the household contacts (approx. 140 to 360 household contacts) of these women.

III. Outcomes/Objectives:
To maintain the required immunization levels in the community to prevent disease and to prevent perinatal transmission of hepatitis B and thus prevent the resultant high incidence of cirrhosis, primary liver cancer and premature death that would otherwise occur among those born to hepatitis B carrier mothers.

IV. Effects of Reduction or Termination of These Funds:
An essential public health program would not exist in a city for vaccine preventable diseases and for a very high risk perinatal hepatitis B population. Currently, over one fourth of all births to hepatitis B carrier mothers in the U.S. are thought to occur in California.

V. Financial Information: Col. B reflects inception of new 10 month grant. Col. C reflects continuation and consolidation of Perinatal Hepatitis B Prevention the Immunization Service Grant.

| | Col. A | Col. B | Col. C | Col. D | Req. Match | Approved by |
|------------------|---------------|-----------------|----------|---------|------------|-------------|
| | Two Years Ago | Past Year/Orig. | Proposed | Change | | |
| Grant Amount | 35,540 | 81,600 | 94,772 | 13,172 | N/A | |
| Personnel | 35,118 | 66,247 | 88,012 | 21,765 | | |
| Equipment | 0 | 5,000 | 0 | <5,000> | | |
| Contract Svc. | 0 | 0 | 0 | 0 | | |
| Mat. & Supp. | 0 | 1,750 | 2,035 | 285 | | |
| Facilities/Space | 0 | 0 | 0 | 0 | | |
| Other | 422 | 8,603 | 4,725 | <3,878> | | |
| Indirect Costs | 0 | 0 | ** | | | |

VI. Data Processing **State subvention funds may only be used for direct program services
Indirect costs are not allowed.

(costs included above)

VII. Personnel

| | | | | | |
|-------------|---|---|-----|--|--|
| F/T CSC | 1 | 2 | 2 | | |
| P/T CSC | 0 | 0 | 0 | | |
| Contractual | - | - | N/A | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
N/A

Will grant funded employees be retained after this grant terminates? If so, How?
Yes, this is a continuation state subvention grant.

VIII. Contractual Services: Open Bid Sole Source (If sole source, attach Request for Exception Form)

Item 23 - File 146-91-40

Department: Department of Public Health (DPH)
Community Mental Health services

Item: Resolution authorizing DPH to apply for a continuation State grant from the State Department of Mental Health.

Grant Amount: \$254,371

Grant Period: July 1, 1991 through June 30, 1992

Source of Funds: State Department of Mental Health

Project: AIDS/ARC Residential Care, Peter Claver Community and Continuum HIV Adult Day Health Care Services

Description: The proposed grant would continue funding for two residential facilities that provide support services for persons with AIDS-related mild to moderate dementia or persons with an AIDS Related Condition (ARC), and for frail or disabled older adults with AIDS and serious psychiatric dysfunction.

The support services for persons with AIDS-related mild to moderate dementia would be offered through a contract with Catholic Charities. The services will be provided to eight clients at the Peter Claver Community Center on a 24-hour basis. Included in the services would be case management services, psychiatric and neurological assessments, referrals for additional services, nursing care, and money management. Overall, assistance would be provided with daily living through case management and linkage to social activities in order to maximize the potential for independent living.

The services for frail or disabled older adults would be provided through a contract with Continuum HIV Day Services, a local non-profit organization that is currently providing these AIDS day treatment services. Day treatment services would be provided six days a week for 40 clients. Adult day health services include medical and psychiatric supervision, mental health services, activities programs, substance abuse services, occupational and physical therapy, transportation, and hot lunches.

No. of Persons Served: 24-hour residential services for eight clients for AIDS/ARC residential care at the Peter Claver Community Center, and Continuum HIV Adult Day Health Care for 40 clients.

BOARD OF SUPERVISORS
BUDGET ANALYST

Program Budget: Contractual Services

AIDS/ARC residential care at
Peter Claver Community Center

| Personnel | <u>FTE</u> | |
|------------------------|------------|---------------|
| Social Worker | 1.00 | \$29,113 |
| Activities Coordinator | 1.00 | 28,691 |
| Administrative Asst. | .50 | 10,614 |
| Fringe Benefits | | <u>17,105</u> |
| Total Personnel | 2.50 | 85,523 |

Operating Costs

| | |
|---------------------------|--------------|
| Office Supplies | 587 |
| Printing and Reproduction | 400 |
| Staff Training | 1,500 |
| Consultation | 42,578 |
| Staff Travel | 1,600 |
| Client Related Expenses | <u>3,000</u> |
| Total Operating Costs | 49,665 |

Contractor Overhead 19,873

Indirect Costs 3,165

Total Budget for Peter Claver
Community Center

\$158,226

Continuum HIV Adult Day Health Care

| Personnel | <u>FTE</u> | |
|------------------------|------------|---------------|
| Social Worker | .35 | \$10,806 |
| Activities Coordinator | 1.00 | 8,991 |
| Program Assistant | 1.00 | 20,000 |
| Program Director | .35 | 12,480 |
| Nurse Manager | .35 | 15,625 |
| Fringe Benefits | | <u>15,617</u> |
| Total Personnel | 3.05 | 83,519 |

Contractor Overhead 10,703

Indirect Costs 1,923

Total Budget for Continuum
HIV Day Services

96,145

Total Project Budget

\$254,371

Required Match: None.

Indirect Costs: \$5,088 or two percent of the \$254,371 for Contractual Services.

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments:

1. The DPH reports that the the application deadline for FY 1990-91 was August 1, 1990, after the State budget crisis was resolved. However, this year's application deadline was April 30, 1991 and the DPH was not anticipating such an early deadline. According to Ms. Rinna Flohr of the DPH, the DPH applied for the proposed grant on April 30, 1991. The DPH also indicates that the personnel responsible for contract monitoring changed both at the State and County level, and this resulted in the reapplication letter arriving to the DPH late. Therefore, the proposed resolution should be amended to authorize the DPH to apply for the proposed grant retroactively.

2. As reflected in the above budget, all of the proposed grant would be used for Contractual Services. The DPH's Community Mental Health Services division uses two percent of contractual services for indirect costs. Therefore, the proposed grant includes \$5,088 or two percent of the proposed grant of \$254,371 for indirect costs.

3. Ms. Flohr indicates that for FY 1990-91, the DPH applied for grant funds for the AIDS/ARC residential care at the Peter Claver Community Center, and for Continuum HIV Adult Day Health Care services separately. However, Ms. Flohr indicates that the DPH combined the application for the two proposed awards for FY 1991-92.

4. Ms. Flohr reports that the DPH will submit a sole-source request to contract with Catholic Charities and Continuum HIV Adult Day Health Services when the DPH requests permission from the Board of Supervisors to accept and expend the proposed grant. Ms. Lucille Burlew-Lawler reports that the sole-source will be submitted to the Human Rights Commission and since each sole-source request will be in excess of \$50,000, the Health Commission would also have to approve the request.

5. The FY 1991-92 proposed grant award of \$254,371 (\$158,226 for AIDS/ARC residential care and \$96,145 for Continuum HIV Adult Day Health Care) represents a decrease of \$10,200 or approximately 3.9 percent from the the FY 1990-91 grant award of \$264,571 (\$164,571 for AIDS/ARC residential care and \$100,000 for Continuum HIV Adult Day Health Care).

6. Attached is the "Summary of Grant Request" as prepared by the DPH.

Memo to Finance Committee
May 29, 1991

Recommendation: Amend the proposed resolution to authorize the DPH to retroactively apply for the proposed grant. Approve the proposed resolution as amended.

Item No. _____ **H 3h Commission - Summary of Grant Request** Rev. 4/10/90

Grantor State Department of Mental Health Division Division of Mental Health, Substance Abuse and Forensic Services

Contact Person Lorraine Kroetch Section Adult Community Services

Address 1600 - 9th Street Contact Person Rinna B. Flohr

Sacramento, CA 95814 Telephone 415/558-4801

Amount Requested \$ 234,371 Application Deadline April 30, 1991

Term: From July 1, 1991 To June 30, 1992 Notification Expected June 15, 1991

Health Commission _____ Board of Supervisors: Finance Committee _____

Full Board _____

I. Item Description: Request to (apply for) () a (new) (continuation) (allocation) (augmentation to a) grant in the amount of \$ 254,371 from the period of July 1, 1991 to June 30, 1992 to provide AIDS/ARC/HIV mental health residential and adult day services.

(Circle appropriate words)

II. Summary: (Concise summary; need addressed; number + groups served; services and providers) Continuation for 3rd year at 4% reduction

1) 8 residential beds for AIDS/ARC dementia care will be continued at Peter Claver Community via Division of Mental Health, Substance Abuse and Forensic Services' contract with Catholic Charities (\$158,226) and

2) 40 adult day health care clients will be served at Continuum HIV Adult Day Health services via contract for individuals with HIV/AIDS/ARC (\$96,145) (see attached application for more details).

III. Outcomes/Objectives:

- 1) Reduced need for home care and out-patient mental health care.
- 2) Retention of independence in living with assisted and supportive care.
- 3) Reduced dependence on institutional care.

IV. Effects of Reduction or Termination of These Funds:

- 1) Residential alternatives to institutional care will be decreased for AIDS/ARC clients with mild to severe dementia.
- 2) No adult day health care will be available to HIV/AIDS/ARC clients.

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Year/Orig. | Col. C Proposed | Col. D Change | Req. Match | Approved |
|------------------|-------------------------|---------------------------|--------------------|------------------|------------|----------|
| Grant Amount | \$ 264,571 | \$ 264,571 | \$254,371 | (\$10,200) | -N/A- | |
| Personnel | | | | | | |
| Equipment | | | | | | |
| Contract Svc. | \$ 259,280 | \$ 259,280 | \$249,284 | (\$9,996) | -N/A- | |
| Mat. & Supp. | | | | | | |
| Facilities/Space | | | | | | |
| Other | | | | | | |
| Indirect Costs | \$ 5,291 (2%) | \$ 5,291 (2%) | \$ 5,087 (2%) | (\$ 204) | | |

VI. Data Processing

(costs included above)

VII. Personnel

| | | | | | |
|-------------|------------|------------|-----------|-----------|--|
| F/T CSC | | | | | |
| P/T CSC | | | | | |
| Contractual | \$ 259,280 | \$ 259,280 | \$249,284 | (\$9,996) | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

-N/A-

Item 24 - File 147-91-4

Department: San Francisco Public Library

Item: Resolution authorizing the City Librarian to apply for continuation Federal grant funds.

Amount of Grant: Not to exceed \$70,000

Source of Funds: Library Services and Construction Act Funds, through the California State Library

Grant Period: October 1, 1991 through September 30, 1992

Grant Project: Partnership for Change Program at the Mission Branch Library

Project Description: The Public Library is planning to use these proposed Federal grant funds to develop and promote library partnerships with ethnic communities and community agencies. Additionally, the Public Library is looking at new service models for reaching ethnic populations not currently using the Library and evaluating current services for relevance to diverse community needs. According to Ms. Debra Cornue of the Public Library, Mission Branch, the proposed services would be aimed primarily at the following:

1. A multi-level outreach program to develop an awareness of Public Library services in the community and to directly introduce recent immigrants to these Public Library services.
2. An expansion of Public Library resources aimed at substantially increasing materials in Spanish and that builds popular collections in Chinese and Vietnamese.

Other components of the project would include, but not necessarily be limited to, public access to computers in order to narrow the computer literacy gap in low-income immigrant populations; typewriters for public use and Public Library orientations for adult English as a second language and basic education classes.

| | | |
|------------------------|------------------------------------|-----------------|
| Project Budget: | Personnel Cost (1.5 FTE) | |
| | 1 Librarian I (29 hrs./wk) | \$26,300 |
| | 1 Library Asst. (20 hrs./wk) | 11,960 |
| | Fringe Benefits | <u>11,572</u> |
| | Subtotal | 49,832 |
| | Library Materials | 10,000 |
| | Operating Expenses | 4,293 |
| | Indirect Costs (5% of total grant) | <u>3,375</u> |
| | Total | <u>\$67,500</u> |
| | | |

Local Match: \$5,000. According to Ms. Cornue, the grantor would give the City only \$5,000 for library materials unless matching funds were contributed by the City. The City could receive an additional \$5,000 (a total of \$10,000) for library materials by contributing at least \$5,000 for library materials with City funds. Matching City funds of \$5,000 are included in the Public Library's proposed book budget for the 1991-92 fiscal year.

Indirect Cost: \$3,375

Comments:

1. This is the last year of a three-year grant program. The Public Library received Federal grant amounts of \$202,600 and \$135,000 for the fiscal years ended 1989-90 and 1990-91, respectively. The proposed grant for 1991-92 is \$67,500 or approximately 50 percent less than the prior fiscal year. Grant funds were reduced to the City each fiscal year that the program was funded in order to allow the City to gradually increase City funds for this program. The City has for each year of the three-year grant program increased its funding for the program. The City is currently contributing a total of \$133,855 for this program. At the end of the three-year grant period, the City will entirely fund the program.

2. Library Materials are composed of the following items, primarily for the Spanish speaking:

| | |
|-----------------|-----------------|
| Books | \$7,500 |
| Videos | 1,000 |
| Audio Cassettes | 1,000 |
| Software | <u>500</u> |
| Total | <u>\$10,000</u> |

Memo to Finance Committee
May 29, 1991

3. Operating Expenses are composed of the following:

| | |
|--|----------------|
| Public relations printing (i.e. newsletter, flyers, etc.) | \$3,793 |
| Office supplies | <u>500</u> |
| Total | <u>\$4,293</u> |

Recommendation: Approve the proposed resolution.

Item 25 - File 192-91-1

Department: Department of Parking and Traffic

Item: Resolution authorizing the Executive Director of the Parking and Traffic Department to apply for, accept and expend Transportation Development Act (TDA) Article 3 funds for bicycle/pedestrian projects.

Amount: \$472,313

Description: The State Transportation Development Act (TDA) was passed in 1971. Article 3 of the TDA includes provisions for pedestrian and bicycle allocations. Article 3 also allows the use of these funds to support public transportation systems, community transit services, or for local street and road purposes. However, the Board of Supervisors approved a resolution (File 196-90-6) on October 29, 1990 which urged the Mayor to support the full use of TDA Article 3, Bicycle/Pedestrian Funds, for bicycle/pedestrian improvements rather than for transit-related projects.

The proposed resolution would authorize the Department of Parking and Traffic to fund the following bicycle/pedestrian projects:

| | |
|--|---------------|
| Bicycle racks | \$100,000 |
| Bicycle signing and marking improvements | 10,000 |
| Traffic signal detectors for bicycles | 5,000 |
| Bicycle safety education programs | 28,000 |
| Widening of curb lanes on Lake Merced Blvd., Alemany Blvd., Valencia Street, and San Jose Avenue | 88,000 |
| Bicycle lane at the intersection of Lincoln Blvd. and Washington Blvd. | 5,000 |
| Maintenance of existing bikeways | 28,000 |
| New bikeway connecting Alemany Blvd. to Gaven Street | 15,000 |
| Removal of unused railroad tracks | 50,000 |
| Handicapped ramps | 10,000 |
| Talking signs for the blind | 10,000 |
| Installation of 3 traffic signals | 60,000 |
| Modification of intersection of Duncan Street, Tiffany Avenue and Valencia Street | 16,000 |
| Sidewalk construction at various T-intersections | 5,000 |
| School crossing signals | 5,000 |
| Pedestrian crossings and stairways | 12,313 |
| Pedestrian walkway under US-101 at Alana Way | <u>25,000</u> |

Total Budget

\$472,313

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments:

1. According to Mr. Gordon Chester of the Department of Parking and Traffic, the following above listed projects would be done through work order with the Department of Public Works (DPW):

| | |
|--|---------------|
| Bicycle racks | \$ 100,000 |
| Maintenance of existing bikeways | 28,000 |
| New bikeway connecting Alemany Blvd. to Gaven Street | 15,000 |
| Removal of unused railroad tracks | 50,000 |
| Handicapped ramps | 10,000 |
| Modification of intersection of Duncon Street, Tiffany Avenue and Valencia Street | 16,000 |
| Sidewalk construction at various T-intersections | 5,000 |
| Pedestrian crossings and stairways | 12,313 |
| Pedestrian walkway under US-101 at Alana Way | <u>25,000</u> |
| Total DPW Work Order: | \$261,313 |

Mr. Chester further reports that the following projects would be done through the Department of Parking and Traffic:

| | |
|--|--------------|
| Bicycle signing and marking improvements | 10,000 |
| Traffic signal detectors for bicycles | 5,000 |
| Bicycle safety education programs | 28,000 |
| Widening of curb lanes on Lake Merced Blvd., Alemany Blvd., Valencia Street, and San Jose Avenue | 88,000 |
| Bicycle lane at the intersection of Lincoln Blvd. and Washington Blvd. | 5,000 |
| Talking signs for the blind | 10,000 |
| Installation of 3 traffic signals | 60,000 |
| School crossing signals | <u>5,000</u> |
| Total Department of Parking and Traffic: | \$211,000 |

Mr. Chester reports that the Department of Parking and Traffic anticipates that the following projects would be done through contractual services:

| | |
|-----------------------------------|---------------|
| Removal of unused railroad tracks | \$ 5,000 |
| Bicycle safety education programs | 28,000 |
| Installation of 3 traffic signals | <u>60,000</u> |
| | \$93,000 |

The Budget Analyst recommends that the \$93,000 budgeted for the above listed projects be reserved pending the selection of contractors, the MBE/WBE status of the contractors and finalized costs details. Mr. Chester also reports that he anticipates that the remaining projects would be done with existing personnel.

BOARD OF SUPERVISORS
BUDGET ANALYST

2. Mr. Chester reports that the use of the FY 1991-92 TDA Article 3 funds was determined by the City's Transportation Policy Group, which includes representatives from the Mayor's Office, City Planning, Department of Parking and Traffic, DPW, the PUC and the Police Department.

3. Article 3 of the TDA has a three-year expenditure period in which the projects could be completed. Mr. Chester indicates that the Department of Parking and Traffic has not yet determined either when the proposed projects would begin or would be completed.

4. Mr. Ed Harrington, the City Controller, advises that any TDA Article 3 funds not used in the manner contemplated by the proposed resolution can be used to offset the General Fund contribution to MUNI. Ms. Kathleen Kelly of the Public Utilities Commission reports that MUNI received \$375,000 in TDA Article 3 funds for FY 1990-91. Mr. Chester reports that some of the proposed bicycle/pedestrian projects may not occur until FY 1992-93 or later. Therefore, Ms. Kelly indicates that since some of the projects would not occur until FY 1992-93, it is possible that some of the funds could be spent on MUNI operations for FY 1991-92.

5. According to Ms. Sara MacKusick of the Metropolitan Transportation Commission, which allocates the TDA funds to the nine-county Bay Area region, San Francisco was allocated \$154,500 in TDA Article 3 funds for bicycle/pedestrian projects in FY 1989-90 and \$146,000 in FY 1990-91. Ms. MacKusick reports that none of these funds have yet been spent by the Department of Parking and Traffic. Mr. Chester reports that these projects have not begun because the funds were originally allocated to the DPW, and there has been delays in transferring the funds into the Department of Parking and Traffic from the DPW. Mr. Chester anticipates that these bicycle/pedestrian projects will still be completed.

6. In addition to these TDA Section 3 funds, Ms. Pam Granger of the County Transportation Authority reports that the Department of Parking and Traffic received \$517,200 in FY 1990-91 from the half cent sales tax for bicycle and pedestrian flow projects. Ms. Granger indicates that the Department of Parking and Traffic is requesting \$363,200 in FY 1991-92 for pedestrian traffic flow projects and for the installation of curb ramps. Ms. Granger reports that the Department of Parking and Traffic will submit finalized proposals for the FY 1991-92 projects in the coming weeks. Mr. Tim Johnson of the Department of Parking and Traffic reports that although funds from the half cent sales tax for

BOARD OF SUPERVISORS
BUDGET ANALYST

FY 1990-91 have been used for general traffic signal upgrading and similar projects are proposed for FY 1991-92, these funds could be used for bicycle/pedestrian projects.

7. Ms. Gail Bloom of the PUC reports that other potential funding sources for bicycle/pedestrian projects are from Proposition 111 gas tax funds, which has a Traffic Systems Management Program. This program allocates \$10 million annually Statewide. The PUC reports that these Proposition 111 funds could be used for bicycle/pedestrian projects. Ms. Bloom also reports that Proposition 116 bond funds provides \$4 million annually Statewide for bicycle programs. In addition, Ms. Bloom reports that the State-Local Partnership Program which was initiated under SB 300 provides between \$200 and \$250 million annually to counties which have a half cent sales tax. Ms. Bloom indicates that these funds could be used for bicycle or pedestrian programs. Mr. Johnson reports that because of inadequate staffing levels, the Department of Parking and Traffic has not applied for State-Local Partnership Program funds or Proposition 116 funds for bicycle/pedestrian projects. Mr. Johnson also reports that Proposition 111 funds have been used for Traffic Engineering projects.

8. Ms. MacKusick reports that an additional funding source for bicycle/pedestrian projects is the 1989 regional measure which allocated three percent of bridge toll increases to be used specifically for bicycle/pedestrian projects. Ms. MacKusick also reports that approximately \$1.07 million will be available to counties for FY 1991-92.

9. As noted above, other potential funding sources for bicycle/pedestrian projects are the following:

- Half cent sales tax has up to \$363,200 available for FY 1991-92.
- Proposition 111 Statewide allocations of up to \$10 million annually.
- Proposition 116 provides up to \$4 million Statewide annually.
- State-Local Partnership program (SB 300). These Statewide allocations provide between \$200 and \$250 million annually.
- Up to \$1.07 million in bridge tolls available to counties for 1991-92.

BOARD OF SUPERVISORS
BUDGET ANALYST

10. To date, the Department of Parking and Traffic has not expended the \$154,500 of TDA funds from 1989-90 or the \$146,000 of TDA funds from 1990-91, and there are significant other funding sources available for bicycle and pedestrian related projects. At the same time, no MUNI operations have been funded with the proposed FY 1991-92 expenditure of TDA funds which, if done, would result in directly reducing General Fund costs for MUNI. Therefore, the Budget Analyst believes that given the fiscal situation of the City for FY 1991-92, the Board of Supervisors should consider reallocating these \$472,313 of TDA funds from bicycle/pedestrian programs to fund 1991-92 MUNI operations.

Recommendation: Amend the proposed resolution to reallocate the \$472,313 of Article 3 TDA funds to directly offset General Fund revenues for MUNI operations.

Item 26 - File 51-90-4.1

Note: This item was continued by the Finance Committee at its meeting of May 22, 1991.

The proposed item would transmit an employee claim of Richard Skaff for reimbursement for personal property damaged in the line of duty.

Section 10.25-1 of the San Francisco Administrative Code authorizes the Controller to provide reimbursement to City employees to recover part or all of the cost of replacing or repairing equipment or property which has been damaged or destroyed in the line of duty without the fault of the City employee. The Controller recommends reimbursement after reviewing the claim submitted to the Controller, and after reviewing the Department Head's certification to the Controller that the damage occurred in the line of duty and that the amount certified for payment is fair and reasonable.

On November 9, 1990, Mr. Richard Skaff, Disability Access Coordinator of the Department of Public Works (DPW) was crossing Polk and Grove Street at the Northwest corner in his wheelchair when the driver of a pick-up truck traveling south on Polk Street turned right onto Grove Street and hit Mr. Skaff. Mr. Skaff reports that the San Francisco Retirement System Workers' Compensation Division is pursuing reimbursement of the City and County of San Francisco expenditures from Mr. Paul Jr. Jacobucci, the owner and operator of the truck which caused the incident. Mr. Skaff is requesting that the City provide reimbursement for his clothing and for his wheelchair which were damaged in the line of duty. Mr. Skaff is requesting reimbursement for the following items:

| | |
|---------------------|---------------|
| Clothing | \$ 255.99 |
| "Lancer Wheelchair" | 1,230.00 |
| RoHo Cushion | <u>371.00</u> |
| Total | \$1,856.99 |

Comments

1. Mr. Richard Evans, Director of the Department of Public Works recommended a settlement of Mr. Skaff's claim on December 7, 1990.

2. Mr. Dave Fong of the Controller's Office reports that after reviewing Mr. Skaff's claim, the Controller's Office will process a claim in the amount of \$255.99 for Mr. Skaff's clothing. Mr. Fong also reports that the Employee Retirement System would provide reimbursement for the remaining items under Workers' Compensation. Based on discussions with the Controller, the funds are available and have been certified.

Recommendation

Prepare in and report out of Committee a resolution to authorize the payment of \$255.99. The balance of \$1,601 is to be paid under Workers' Compensation.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 27 - File 100-90-1.15

Note: This item was continued by the Finance Committee at its meeting of May 22, 1991.

Department: District Attorney

Item: Release of Reserved Funds

Amount: \$40,000

Source of Funds: Previously Appropriated General Fund Monies

Grant Period: January 1, 1991 through December 31, 1991

Description: During the budget hearings for FY 1990-91, the Finance Committee recommended that \$40,000 included in the District Attorney's budget request be placed on reserve pending the District Attorney giving consideration to filling any new Attorney positions at the lower level Attorney classification instead of the Department's usual practice of filling such positions at the higher level Trial Attorney classification. According to Ms. Mary King of the District Attorney's Office, the Board of Supervisors had estimated, based on the Department hiring an average of four Attorney's during FY 1990-91, that the Department would realize a savings of approximately \$10,000 per position or a total of \$40,000, by filling these positions at the lower Attorney classification level.

Ms. King reports that, due to a lack of funding, the Department has not hired any new Attorneys for the current fiscal year. Additionally, Ms. King advises that the Department's projected salary savings for FY 1990-91 was overestimated and as such, the Department is now projecting a shortfall in its salaries account, as follows:

| Actual Expenditures | Projected Expenditures | Total Projected Expenditures | Total Amount Budgeted | Projected Shortfall |
|------------------------|---------------------------|------------------------------------|-----------------------------|------------------------|
| 7/1/90 - 4/12/91 | 4/13/91 - 6/30/91 | | | |
| \$8,017,050 | \$2,159,370 | \$10,176,420 | \$10,148,004* | \$28,416 |

* The \$10,148,004 total amount budgeted includes the \$40,000 placed on reserve. Therefore if the \$40,000 is not released from reserve the projected budget shortfall would be \$68,416 instead of \$28,416.

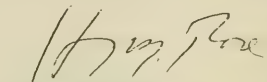
Memo to Finance Committee
May 29, 1991

Comments:

1. Ms. King advises that the Department intends to use surplus monies in the Department's fringe benefits account to pay for the projected \$28,416 shortfall.

2. Ms. King reports that the Department is requesting that this item be continued to the Finance Committee meeting of June 5, 1991 in order for the Department to have additional time to provide details on the amount of surplus funds available in the Department's fringe benefits account.

Recommendation: Continue this item to the Finance Committee meeting of June 5, 1991 as requested by the District Attorney.


Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Shelley
Supervisor Hallinan
President Ward
Supervisor Achtenberg
Supervisor Alioto
Supervisor Britt
Supervisor Hsieh
Supervisor Kennedy
Supervisor Maher
Supervisor Migden
Clerk of the Board
Legislative Policy Analysts
Chief Administrative Officer
Controller
Sam Yockey
Ted Lakey

CALENDAR
SPECIAL MEETING OF
FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

MONDAY, JUNE 3, 1991 - 11:30 A.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN

CLERK: JONI BLANCHARD

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

1. File 100-91-3. Hearing to consider the status of projected budget shortfall for the City and County for fiscal year 1991-92. (Supervisor Gonzalez)

ACTION:

2. File 215-91-1. Hearing to consider feasibility if instituting a work furlough program among City employees, in order to help balance the FY 1991-92 budget and reduce the projected \$136 million revenue shortfall, as an alternative to wage freezes. (Supervisor Gonzalez)

ACTION:

3. File 127-91-2. Hearing to consider present efforts by the Assessor, Controller and Tax Collector's offices to maximize revenue collections and to identify potential revenues that can be collected from potential taxpayers and actual scofflaws in regards to business registration, payroll and gross receipts tax payments. (Supervisor Gonzalez)

ACTION:

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BUDGET ANALYST

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May 31, 1991

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TO: Finance Committee

FROM: Budget Analyst - Recommendation

SUBJECT: June 3, 1991 Special Meeting of the Finance Committee

Item 1 - File 100-91-3

Note: This item was continued by the Finance Committee at its meeting of May 8, 1991.

1. This is a hearing to consider the status of the projected budget shortfall for the City and County for fiscal year 1991-92.

2. On May 8, 1991 a joint report by the Mayor, the Controller and the Budget Analyst was presented stating that the Mayor projected a 1991-92 budget shortfall of \$135.6 million. The Budget Analyst and the Controller projected that the shortfall would be \$120.6 million.

3. As of the writing of this report, the Mayor's recommended 1991-92 budget has not yet been transmitted to the Board of Supervisors. It is anticipated however, that in accordance with Charter requirements, that a balanced budget, eliminating the projected shortfall, will be transmitted to the Board of Supervisors by the time of this scheduled hearing before the Finance Committee.

Item 2 - File 215-91-1

Note: This item was continued by the Finance Committee at its meeting of May 22, 1991.

1. This item is a hearing to consider the feasibility of instituting a work furlough program among City employees in order to help balance the fiscal year 1991-92 budget and reduce the projected \$136 million revenue shortfall, as an alternative to wage freezes.

2. Any savings that could be achieved by an unpaid employee work furlough program would depend on the number of employees that could be furloughed without unacceptable service consequences. For purposes of this analysis therefore, our calculations provide estimated savings for a number of different cases, each of which excludes certain employees, departments and/or functions. However, the cases presented herein do not exhaust the range of alternatives available for review. In addition, an unpaid furlough program may result in increased unemployment insurance costs, that would offset savings depending on the number of employees involved and the relative amount of time spent on unpaid furlough. Based on unemployment benefit information provided by the Legislative Policy Analysts, who have also been reviewing this option, this analysis includes such offsetting costs in instances where the furlough program involves both 10% of the City's employees who would, in some cases, be on unpaid furlough for 10% of the year or more (approximately 26 days annually).

In each of the alternative cases described in this analysis, a target savings of \$50 million for 1991-92 is used. Furthermore, savings amounts per employee furlough day are calculated based on 1991-92 rates of pay and employee benefit costs (i.e. assuming that salary standardization increases are granted).

In each case, savings are estimated based on the total personnel costs for the Departments and functions that are assumed to be participating. The estimated number of employees presented in each is not a determinant of the estimated savings. The estimated number of employees is used only in Case 4, where hypothetical unemployment insurance costs are calculated as an offsetting expense should the City decide to participate in a 'workshare' program under State requirements.

3. Cases 1, 2 and 3 shown below provide three different ways of determining the number of furlough days required to achieve savings of \$50 million in 1991-92 based on differing assumptions as to who would be excluded from the program. Case 4 provides a number of alternative exclusion levels for those positions not identified in Cases 1, 2, and 3. The personnel cost and position count data used for these calculations was provided by the Controller's Office.

Case 1: General Fund Savings target of \$50 million in 1991-92; all miscellaneous employees subject to unpaid furlough; Police and Fire uniform employees, Nurses and Muni Transit Operators excluded.

In this example, all Police and Fire uniform employees, all Muni Operators and all Nurses employed by the City would be excluded from the program. All miscellaneous employees would be included regardless of the source of funds used to pay their wages, salaries and benefits.

Under these assumptions, a General Fund savings of \$50 million in personnel costs could be achieved if all miscellaneous employees averaged 16.49 unpaid furlough days for the fiscal year.

| CASE 1: FURLOUGH SAVINGS OF \$50 MILLION GENERAL FUND; EXCLUDING POLICE & FIRE UNIFORM EMPLOYEES, NURSES AND MUNI OPERATORS ALL MISCELLANEOUS EMPLOYEES INCLUDED, CITY-WIDE | | |
|---|---------------------|---------------------|
| | <u>Total Budget</u> | <u>General Fund</u> |
| Total Personnel Costs | \$1,083,886,466 | \$791,237,120 |
| Estimated Number of Positions | 18,541 | 13,535 |
| Total Savings | 68,493,151 | 50,000,000 |
| Annual Unpaid Employee Furlough Days | 16.49 | 16.49 |
| Unemployment Insurance Cost | 0 | 0 |
| Net Savings | \$68,493,151 | \$50,000,000 |

Case 2: General Fund Savings target of \$50 million in 1991-92; **Case 1 exclusions plus** all departments totally supported by non-General Fund sources excluded. These non-General Fund Departments would be excluded: Port, Airport, Hetch Hetchy, Water Department and Clean Water as they would not contribute to General Fund savings. All remaining Muni operations employees would be excluded (besides previously excluded Muni Transit Operators) under this case as maintenance and support functions would need to continue in order to prevent a reduction in public transit services. All Public Health, Community Mental Health, San Francisco General Hospital (SFGH) and Laguna Honda employees would be excluded in order to preserve patient care and other Health and Mental Health services and revenue collection. Lastly, because the salaries are heavily subvented by State and Federal sources and workload is a function of client caseloads, the Department of Social Services miscellaneous employees would also be excluded under Case 2.

As reflected in the chart below, if all remaining miscellaneous employees were to be participants in the unpaid furlough program, approximately 21.72 furlough days in a year would be needed to achieve total General Fund savings of \$50 million in 1991-92.

| CASE 2: FURLOUGH SAVINGS OF \$50 MILLION GENERAL FUND - EXCLUDING NON - GENERAL FUND SUPPORTED DEPARTMENTS, SFGH, LAGUNA HONDA HOSPITAL, PUBLIC HEALTH, COMMUNITY MENTAL HEALTH, MUNI OPERATIONS POLICE AND FIRE UNIFORM EMPLOYEES, NURSES, MUNI OPERATORS | |
|--|---------------|
| <u>General Fund Amounts</u> | |
| Total Personnel Costs | \$600,882,917 |
| Estimated Number of Employees | 10,324 |
| Total Savings | 50,000,000 |
| Annual Unpaid Employee Furlough Days | 21.72 |
| Unemployment Insurance Cost | 0 |
| Net Savings | \$50,000,000 |

Case 3: General Fund Savings target of \$50 million in 1991-92; **Case 2 exclusions plus** further exclusions of certain General Fund functions.

In addition to those exclusions explained above under Case 2, the following departments, functions and their employees would be excluded under Case 3 assumptions:

| | |
|--|--|
| Sheriff's Office | Excluded in order to preserve court services and jail custody requirements under consent decree. |
| SFPD Communications Section | Excluded in order to preserve existing 911 and dispatch services. |
| Parking Control Officers | Substantial General Fund revenue depends on these employees. |
| Municipal Court Superior Court Public Defender's Office District Attorney | Preserves level of staffing to meet Court workload requirements. |

Using the assumptions described above, if all remaining miscellaneous employees were to be participants in the unpaid furlough program, approximately 25.07 furlough days in a year would be needed to achieve total General Fund savings of \$50 million in 1991-92.

| | |
|--|-----------------------------|
| CASE 3: FURLOUGH SAVINGS OF \$50 MILLION GENERAL FUND - EXCLUDING NON - GENERAL FUND SUPPORTED DEPARTMENTS, SFGH, LAGUNA HONDA HOSPITAL, PUBLIC HEALTH, COMMUNITY MENTAL HEALTH, MUNI OPERATIONS, POLICE AND FIRE UNIFORM EMPLOYEES, NURSES, MUNI OPERATORS AND SELECTED GENERAL FUND FUNCTIONS | |
| | <u>General Fund Amounts</u> |
| Total Personnel Costs | \$520,466,505 |
| Estimated Number of Employees | 8,942 |
| Total Savings | 50,000,000 |
| Annual Unpaid Employee Furlough Days | 25.07 |
| Unemployment Insurance Cost | 0 |
| Net Savings | \$50,000,000 |

Case 4: **Case 3 assumptions and exclusions plus additional exclusions**
of personnel costs in varying amounts.

Besides the three cases described above, where certain reasonable assumptions would exclude a large number of miscellaneous employees in order to preserve critical services, a number of arguments can be made to exclude additional positions from a work furlough program. Examples would include positions needed to assure revenue collection (e.g. Treasurer-Tax Collector, Assessor) positions needed to provide payroll services, building security and operations positions, Police and Fire administrative and clerical support positions, etc.

Because it would not be possible to specify all potential exclusions and assumptions without further detailed review, the table below provides three alternative scenarios where \$50 million in General Fund savings could be achieved with varying amounts for additional exclusions. In these three examples, the number of furlough days ranges from 36 to 42 to 48 annually. As noted previously, the City could incur some unemployment insurance expense and employees who have 10% of their pay reduced would be eligible to receive \$42 daily in unemployment benefits for unpaid furlough days if the City is administratively able to construct a "work sharing program" that meets State Employment Development Department requirements. These expenses are included below as offsets to the savings that would be achieved.

| CASE 4: FURLOUGH SAVINGS OF \$50 MILLION GENERAL FUND - EXCLUDING NON - GENERAL FUND SUPPORTED DEPARTMENTS, SFGH, LAGUNA HONDA HOSPITAL, PUBLIC HEALTH, COMMUNITY MENTAL HEALTH, MUNI OPERATIONS, POLICE AND FIRE UNIFORM EMPLOYEES, NURSES, MUNI OPERATORS AND SELECTED GENERAL FUND FUNCTIONS PLUS ADDITIONAL GENERAL FUND PERSONNEL COSTS EXCLUSIONS. | | | |
|---|-------------------|-------------------|-------------------|
| Additional Exclusions = | \$73,850,483 | \$137,652,772 | \$185,504,489 |
| <u>Number of addl. employees excluded</u> | 1,269 | 2,365 | 3,187 |
| Total Personnel Costs | \$446,616,022 | \$382,813,733 | \$334,962,017 |
| Estimated Number of Employees | 7,673 | 6,577 | 5,755 |
| Total Savings | 61,602,210 | 61,602,210 | 61,602,210 |
| Annual Unpaid Employee Furlough Days | 36.00 | 42.00 | 48.00 |
| Unemployment Insurance Cost | <u>11,602,210</u> | <u>11,602,210</u> | <u>11,602,210</u> |
| Net Savings | \$50,000,000 | \$50,000,000 | \$50,000,000 |

4. It has also been suggested that the number of furlough days should vary depending on the salary received by miscellaneous employees. For example, employees earning less than \$25,000 annually could be excluded, regardless of the

BOARD OF SUPERVISORS
BUDGET ANALYST

necessity of their position, while those in higher brackets would be allotted a greater number of unpaid furlough days, with the highest paid employees assigned the highest number of unpaid days. It is not possible to test this approach at this time due to data shortcomings however. The table below, provided by the Civil Service Commission, shows the distribution of employees receiving salaries within certain ranges for all miscellaneous employees. However, similar data cannot be easily retrieved for all cases and all assumptions used in this report without a great deal of additional work by the Civil Service Commission and cannot be provided at this time.

Although the distribution shown below would probably not be the same for all examples used in this report, it is clear that 95% of all City employees are paid between \$25,000 and \$75,000 annually. Therefore, substantial savings could not be achieved among the highest paid (i.e. over \$75,000 annually) without allotting extremely high numbers of unpaid furlough days. Therefore, under any assumption, the majority of any savings would have to be achieved from unpaid furlough days taken from the mid level employees of the City.

**Distribution of all Miscellaneous Positions
by Salary Range**

| <u>Salary Range</u> <u>1991-92</u> | <u>Positions</u> | <u>Percentage</u> |
|---------------------------------------|------------------|-------------------|
| < \$25,000 | 34 | 0.19% |
| 25,000-35,000 | 4,921 | 27.37% |
| 35,000-45,000 | 5,882 | 32.71% |
| 45,000-60,000 | 4,880 | 27.14% |
| 60,000-75,000 | 1,389 | 7.72% |
| Over 75,000 | <u>875</u> | <u>4.87%</u> |
| Totals | 17,981* | 100.00% |

* Total does not reconcile to Controller's position count due to exclusion of certain part time and temporary positions.

Comments

1. The Budget Analyst is aware of a similar program that is planned in the State of Massachusetts. According to a recent article in the Bureau of National Affairs, the Governor of Massachusetts signed, on March 22, 1991, a "deficit reduction bill" requiring state workers to take up to three weeks of unpaid leave before the end of the fiscal year on June 30, 1991. Lower paid workers, receiving less than \$20,000 annually, would be exempt. The number of unpaid leave days would depend on the salary level of employees required to participate with employees paid between \$20,000 and \$25,000 annually (the lowest group) required to take two days, ranging up to employees earning more than \$70,000 annually

BOARD OF SUPERVISORS
BUDGET ANALYST

who would be required to take fifteen days.

Massachusetts employees can work the days without pay and receive days off at the rate of time and one-fourth or work without pay and receive a deferred payment upon retirement or determination as an alternative to simply taking the unpaid days. Unpaid day requirements are prorated for part-time employees. The only exceptions noted are for workers returning from military service in the Persian Gulf. A lawsuit has been filed by the largest state employee union seeking to overturn the unpaid employee furlough section of the law.

2. At the request of the Chair of the Finance Committee, the Budget Analyst requested copies of survey responses provided to the Mayor by City Department heads regarding the furlough program. Forty such responses were provided to the Budget Analyst on Friday, May 17. A key requirement of the Mayor's survey was that no service reduction could be withstood if an unpaid work furlough program were instituted. This requirement alone prevents the attainment of any meaningful savings from a furlough program. Consequently, management's reactions to the proposal were largely, but not unanimously, negative.

Item 3 - File 127-91-2

Note: This item was continued by the Finance Committee at its meeting of May 22, 1991.

This item is a hearing to consider the present efforts by the Controller and the Tax Collector's Office to maximize revenue collections and to identify potential revenues that can be collected from potential taxpayers and actual scofflaws in regards to business registration, payroll and gross receipts tax payments.

The fiscal year 1990-91 Annual Appropriations Ordinance includes the following estimated revenues:

| | |
|---------------------------|--------------------|
| Business Registration Tax | \$ 7,400,000 |
| Gross Receipts Tax | 21,500,000 |
| Payroll Tax | <u>126,100,000</u> |
| Total | \$155,000,000 |

Mr. Richard Sullivan of the Tax Collector's Office reports that current projections indicate that the Tax Collector's Office will receive the total fiscal year 1990-91 budgeted amount of revenues for the business registration, gross receipts and payroll taxes.

The following chart provides a breakdown of the number of San Francisco businesses and businesses outside of San Francisco that registered in calendar years 1988, 1989 and 1990:

| | <u>1988</u> | <u>1989</u> | <u>1990</u> |
|------------------------------|--------------|--------------|--------------|
| <u>Businesses Registered</u> | | | |
| San Francisco | 47,589 | 49,260 | 50,897 |
| Outside San Francisco | <u>3,798</u> | <u>5,309</u> | <u>5,820</u> |
| Total | 51,387 | 54,569 | 56,717 |

The above chart indicates the number of businesses that registered in San Francisco, however, some businesses were delinquent in paying the registration fees and businesses with an annual income of less than \$15,000 are exempt from paying this registration fee. The current annual business registration fee is \$150.

The following chart provides a breakdown of both the number of businesses and the revenues from businesses in San Francisco and outside of San Francisco that have paid the City's payroll and gross receipts taxes in calendar year 1988, 1989 and 1990.

| | <u>1988</u> | <u>1989</u> | <u>1990</u> |
|---|-------------|-------------|-------------|
| <u>Number of Businesses Paying Payroll/Gross Receipts Taxes</u> | | | |
| San Francisco | 5,708 | 6,037 | 5,381 |
| Outside San Francisco | <u>405</u> | <u>423</u> | <u>343</u> |
| Total | 6,113 | 6,460 | 5,724 |

| | | | |
|---|------------------|------------------|------------------|
| <u>Revenues Collected from Payroll/Gross Receipts Taxes</u> | | | |
| San Francisco | \$122,327,193 | \$130,818,013 | \$122,084,571 |
| Outside of San Francisco | <u>4,318,975</u> | <u>4,637,385</u> | <u>3,839,834</u> |
| Total | \$126,646,168 | \$135,455,398 | \$125,924,405 |

According to Mr. Victor Wong of the Tax Collector's Office, the number of businesses and the revenues for 1990 is less than 1989 or 1988 because the 1990 data is incomplete, primarily because the delinquent accounts and the results from audited businesses have not yet been included in the 1990 data. It should also be noted that the City's gross receipts taxes for 1989 was 1.6 percent for the entire year. The 1990 tax rate was 1.6 percent for the first six months of the year and 1.5 percent for the last six months of the year, the same rate as in 1988. The significant difference between the number of registered businesses and the number of businesses that paid the City's payroll and gross receipts taxes is because the taxes are only assessed on registered businesses whose tax liability is greater than \$2,500.

Mr. Sullivan reports that 151 businesses or 37 percent of the 405 businesses located outside of San Francisco that paid the City's payroll and gross receipts taxes in 1988 were contractors. Similarly, of the 423 businesses outside of San Francisco in 1989, 159 businesses or 38 percent were contractors. According to Mr. Sullivan, the Tax Collector's Office uses a four factor formula, which was developed approximately 20 years ago, to calculate the amount of taxes owed by businesses located outside of San Francisco that conduct business in San Francisco. This formula is used because San Francisco can only tax that portion of the business that is conducted in San Francisco and includes the following:

Percent of Sale

| | |
|--|------------|
| 1. If the sales office or representative is in San Francisco | 30% |
| 2. If the billing or collection is in San Francisco | 20% |
| 3. If goods are delivered in San Francisco | 30% |
| 4. If goods are warehoused in San Francisco | <u>20%</u> |
| Total | 100% |

The City's Tax Collector currently has the authority to accept partial payments of the Payroll and Gross Receipts Taxes owed to the City. Mr. Sullivan indicates that if a business cannot fully pay their business tax, the business must sign a promissory note to make partial payments of the delinquent business tax to the City, generally within a 12-month period. If penalties or legal challenges are involved, these payments are placed into a suspense account, until the full payment is completed. These funds are then later transferred to the City's General Fund. According to Mr. Sullivan, this suspense account currently contains approximately \$2,037,000.

In addition, the Tax Collector indicates that the State's Revenue and Taxation Code prohibits the City from depositing partial unsecured property taxes (i.e., furniture, fixtures, leasehold interests, etc.) which are only assessed on businesses. Under the current provisions, if a business can only afford partial payment, these funds cannot be transferred to the General Fund. Mr. Sullivan reports that as of January, 1991, there was a total of approximately \$1.3 million in the City's suspense account for unsecured property taxes, that could not be transferred to the General Fund. On May 29, 1991, the Finance Committee approved an ordinance (File 166-91-1) authorizing the Tax Collector to accept partial payments on unsecured property taxes.

According to Mr. Sullivan, the Tax Collector's Office has both internal audit and compliance functions which are intended to maximize the revenue collections to the Tax Collector's Office. The Audit Division of the Tax Collector's Office includes 22 field auditors and five supervising auditors for a total of 27 professional staff positions for the payroll and gross receipts taxes. The City's payroll and gross receipts taxes are calculated and paid based on a self-reporting process. According to Mr. Sullivan, the Tax Collector's Office reviews these reported forms and if the Tax Collector's Office questions the information that is provided by the subject business, it could trigger an audit of that business. The Audit Division conducts an average of 1,000 audits per year. Based on a total of approximately 6,000 businesses that currently pay the City's payroll or gross receipts taxes, the Audit Division audits approximately 17 percent of these businesses each year. Mr. Sullivan reports that in fiscal year 1989-90, the Audit Division issued a total of \$9,636,480 in audit deficiency billings. For the first seven months of fiscal year 1991-92, the Audit Division issued a total of \$7,073,175 of audit deficiency billings. Based on prior experience, the Tax Collector projects that approximately 90 percent of these audit deficiency billings will result in payments to the City.

BOARD OF SUPERVISORS
BUDGET ANALYST

The Compliance Division of the Tax Collector's Office includes seven field investigators, two follow-up office investigators and one small claims investigator, for a total of ten professional staff positions. This staff attempts to insure that businesses are complying with the City's business and payroll taxes by reviewing the State Board of Equalization's sales tax report notices, periodicals, the Department of Public Work's permits for large building contracts, the County Clerk's fictitious name records and the Bay Pacific Builder listings of major construction contractors and subcontractors. As reflected in the attachment, the Tax Collector's Office performs various activities on a daily, weekly or periodic basis.

The Tax Collector's Tax Clearance Unit is responsible for the City's business registration fee. In addition to issuing the business certificates and renewals, the staff conducts physical surveys of office buildings in the City to insure that all businesses are registered with the Tax Collector's Office. The staff also works with the Purchaser's Office to insure that businesses cannot do business with the City without filing for a business permit, and with DPW and the Health Department, to insure that no contractor or business receives a building or health permit without a valid business permit. Mr. Sullivan indicates that his staff also write and/or visit contractor sites to insure that they have a current list of the subcontractors on these projects and that these subcontractors are registered with the City.

According to Mr. Sullivan, the current penalties for failure to file with the Tax Collector's Office is ten percent of the amount owed. In addition, the failure to pay the gross receipts tax or the payroll tax is another ten percent penalty of the amount owed. Interest is assessed on the basis of one percent per month. In addition, failure to provide financial information to, or to register with the Tax Collector's Office is a \$100 penalty.

Mr. Sullivan also notes that the State's Revenue and Taxation Code permits the Tax Collector to seize businesses that do not pay delinquent taxes, in order to sell the necessary assets of the business to collect the taxes owed. Mr. Sullivan reports that this procedure can be effective with businesses that own boats. In addition, Mr. Sullivan reports that within the last fiscal year, the Tax Collector's Office sent a notice of possible seizure to ten businesses, which have now all paid their delinquent taxes owed. However, Mr. Sullivan indicates that the Tax Collector's Office does not use this procedure very often because any outstanding Federal Internal Revenue Service (IRS), State Franchise Tax Board or commercial loans that the business owed would take precedence over any local business taxes owed. Furthermore, Mr. Sullivan reports that it requires a significant amount of research for the Tax Collector's Office to determine if the delinquent business has sufficient assets to cover all of these delinquent tax liabilities.

Furthermore, Mr. Sullivan reports that the Tax Collector's Office has proposed to develop a new computer system which would enable the Tax Collector to match files with the Assessor's Office and other City and State offices. The estimated cost to complete the new system is approximately \$1.5

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
June 3, 1991

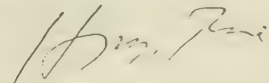
million, which the Tax Collector has included in their proposed budget for fiscal year 1991-92.

Mr. Dave Fong of the Controller's Office reports that the Controller's Office is responsible for the accurate recording of the expenditure, revenue and accounting information for the City and is not directly involved with the actual tax collections for the City. However, the Controller's Internal Audit Division has recently begun a performance audit of the Tax Collector's Office, which may address these issues. According to the Internal Audits Division, this performance audit of the Tax Collector's Office should be completed by approximately August, 1991.

On May 1, 1991, Mr. Richard Hongisto, the City's Assessor discussed with the Finance Committee additional efforts that the Assessor is undertaking to maximize revenue collections and to identify potential revenues that can be collected from potential taxpayers.

Comment

As discussed above, on May 29, 1991, the Finance Committee approved an ordinance authorizing the Tax Collector to accept partial payments on unsecured property taxes (File 166-91-1). On May 29, 1991, the Finance Committee also approved two additional ordinances (Files 127-91-5 and 127-91-6) relating to the definition of persons obligated to file City tax returns and pay taxes and to provide for the filing of tax liens to secure the payment of delinquent hotel, parking, payroll and business taxes. These three ordinances should increase the Tax Collector's revenue collections and will be considered by the Board of Supervisors on June 3, 1991.



Harvey M. Rose

| | |
|------------------------------|------------|
| cc: Supervisor Gonzalez | Controller |
| Supervisor Shelley | Sam Yockey |
| Supervisor Hallinan | Ted Lakey |
| President Ward | |
| Supervisor Achtenberg | |
| Supervisor Alioto | |
| Supervisor Britt | |
| Supervisor Hsieh | |
| Supervisor Kennedy | |
| Supervisor Maher | |
| Supervisor Migden | |
| Clerk of the Board | |
| Legislative Policy Analysts | |
| Chief Administrative Officer | |

BOARD OF SUPERVISORS
BUDGET ANALYST

MEMORANDUM

Attachment

OFFICE OF TAX COLLECTOR
CITY AND COUNTY OF SAN FRANCISCO

Date April 4, 1991

To: Richard Sullivan, Deputy Tax Administrator

From: T. J. Wortham, Chief Investigator

Subject: Activities performed by investigators in search of unregistered businesses for Business Tax registration.

I. DAILY

1. Field investigators watch for new businesses in their districts.
2. The Edwards Abstract is checked for bids on new and remodelling projects in the city.
3. Advertisements in the daily and bi-weekly newspapers are checked.

II. WEEKLY

1. The Pacific Builder is checked for bids and new businesses in the city.
2. City bids sent to the division by various city departments are checked.

III. PERIODICALLY

1. Investigators survey the large office buildings and industrial complexes that have a large turnover.
2. The telephone book is checked.
3. Even on weekends, as investigators drive through the city and see construction or roofing contractors, they jot down numbers or names and check for registration.
4. The State Board of Equalization sends approximately 1,500 accounts to the Investigation Division and these are checked.

CALENDAR
MEETING OF
FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

JUN 4 1991

SAN FRANCISCO
PUBLIC HEARINGS

WEDNESDAY, JUNE 5, 1991 - 2:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN

CLERK: JONI BLANCHARD

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

REGULAR CALENDAR

1. File 132-91-4. [Authorization of Expenditures] Resolution authorizing expenditures of funds of \$65,000 by the Arts Commission for the Youth Arts Fund; companion to File 101-90-120. (Supervisor Hallinan)

ACTION:

2. File 132-91-5. [Market Street Arts Maintenance Fund] Resolution authorizing expenditures of \$50,000 by the Arts Commission from the Market Street Arts Maintenance Fund for various projects (maintenance of historic monuments and transit shelter art program); companion to File 101-90-120. (Supervisor Hallinan)

ACTION:

3. File 101-90-120. [Government Funding] Ordinance appropriating \$115,000, Arts Commission for other contractual services and other services (Market Street Art Maintenance and Youth Arts Fund); companion to Files 132-91-4 and 132-91-5. (Supervisor Hallinan)

ACTION:

4. File 170-91-3. [General Obligation Bonds] Resolution determining and declaring the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of the following municipal improvements, to wit: to provide loans or grants for the construction or reconstruction of unreinforced masonry buildings for multi-family housing and commercial purposes; provided, however, that no more than 15% of this total authorization shall be used for loans or grants for commercial purposes; that the estimated cost of \$95,000,000 for said municipal improvement is and will be too great to be paid out of the ordinary annual municipal improvement is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness; provided, however, that no more than \$20,000,000 indebtedness; provided, however, that no more than \$20,000,000 of this authorization shall be sold in any one fiscal year. (Supervisor Ward)

ACTION:

5. File 68-90-16.3. [Release of Funds] Requesting release of reserved funds, Mayor's Office - Community Partnership Program, in an amount totalling \$154,112 (\$148,520 for community based self group services and \$5,592 for computer equipment). (Mayor)

ACTION:

AIRPORT

6. File 101-90-111. [Government Funding] Ordinance appropriating \$151,000, Airports Commission, for overtime. RO #91007. (Controller)

ACTION:

ASIAN ART MUSEUM

7. File 101-90-10.3. [Release of Funds] Requesting release of reserved funds, Asian Art Museum, Earthquake Safety Program, in the amount of \$36,250, to conduct the Peer Review of seismic strengthening study. (Asian Art Museum)

ACTION:

BOARD OF SUPERVISORS

8. File 25-91-22. [Contracting Out City Services] Resolution concurring with the Controller's certification that computer programming enhancements to the Board of Supervisors' Assessment Appeal Board System can be practically performed by private contractor for lower cost than similar work performed by City and County employees. (Board of Supervisors)

ACTION:

CONTROLLER

9. File 101-90-106. [Government Funding] Ordinance appropriating \$1,658,476, Fire Department, Police Department, Sheriff, Purchasing, Recreation and Park, Juvenile Probation and Retirement, for services of other departments - workers compensation and rescinding \$115,727 from various appropriation. RO #90281. (Controller)

ACTION:

10. File 101-90-110. [Government Funding] Ordinance appropriating \$110,819, Retirement System, for non-work order services of other departments - City Attorney Services. RO #90285. (Controller)

ACTION:

11. File 95-91-1. [Annual Audit - Controller's Books] Resolution ordering Annual Audit of Controller's books, declaring intention of the Board of Supervisors to order an Annual Audit of Controller's books and enter into a three year contract with a consortium of accounting firms. (Controller)

ACTION:

DEPARTMENT OF ELECTRICITY

12. File 97-91-36. [Memberships - Department of Electricity] Ordinance amending Administrative Code by amending Section 16.6-28 thereof, adding six organizations represented by the Department of Electricity. (Department of Electricity)

ACTION:

DISTRICT ATTORNEY

13. File 100-90-1.15. [Release of Funds] Requesting release of reserved funds, District Attorney, in the amount of \$40,000, for salaries. (Supervisor Gonzalez on behalf of District Attorney)

(Consideration continued from 5/29/91)

ACTION:

JUVENILE PROBATION DEPARTMENT

14. File 28-91-8. [Emergency Work] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, safety and welfare of citizens of the City and County of San Francisco and of the County of San Mateo by performing necessary work to abate fire and sewage effluent hazards at Log Cabin Ranch in La Honda and further authorizing the Juvenile Probation Department to apply for a long-term, low-interest loan from the State Water Resources Control Board. (Juvenile Probation Department)

(Consideration continued from 5/22/91)

ACTION:

DEPARTMENT OF PARKING AND TRAFFIC

15. File 100-90-1.16. [Release of Funds] Requesting release of reserved funds, Department of Parking and Traffic, to fill the position of Classification 1446 Secretary II. (Department of Parking and Traffic)

ACTION:

POLICE DEPARTMENT

16. File 97-91-37. [Vehicle Theft Crimes Funds] Ordinance amending Administrative Code by adding Section 10.117-109 thereto, to establish the Vehicle Theft Crimes Fund. (Police Department)

ACTION:

PRIVATE INDUSTRY COUNCIL

17. File 156-91-2. [Federal Funds] Resolution approving an expenditure plan for Refugee Employment Social Services and Refugee Targeted Assistance Funds. (Private Industry Council)

(Consideration continued from 6/5/91)

ACTION:

DEPARTMENT OF PUBLIC HEALTH

18. File 28-91-9. [Emergency Work] Resolution authorizing the Director of Public Health and Laguna Honda Hospital to take necessary measures to protect the health, welfare, and property of the citizens of San Francisco by performing the necessary asbestos abatement work to maintain a safe environment at Laguna Honda Hospital. (Department of Public Health)

ACTION:

DEPARTMENT OF PUBLIC HEALTH CONTINUED

19. File 64-91-13. [Lease of Property] Resolution authorizing lease of real property at 1540 Market Street for the Emergency Medical Services Agency of the Department of Public Health; companion to measures 101-90-109 and 102-90-20. (Real Estate Department).

ACTION:

20. File 101-90-109. [Government Funding] Ordinance appropriating \$83,898, Department of Public Health, for permanent salaries, temporary salaries, related mandatory fringe benefits, other contractual services, travel, telephone, materials and supplies, rental of property, equipment purchase, data processing equipment, equipment lease/purchase and services of other departments - Real Estate, for the creation of one position (Classification 2533 EMS Agency Specialist); placing \$46,599 on reserve, pending EIPSC approval; companion measure to File 102-90-19. RO #90284. (Controller)

ACTION:

21. File 102-90-20. [Public Employment] Ordinance amending Annual Salary Ordinance, 1990-91, Department of Public Health, Central Office, reflecting the addition of one position (Classification 2533 EMS Agency Specialist); companion measure to File 101-90-109. (Civil Service Commission)

ACTION:

22. File 127-91-7. [Part III Municipal Code - Revenue and Finance] Ordinance amending Part III Municipal Code (Revenue and Finance), by amending Sections 35, 248, 249.1, 249.7, 249.8 and 249.14 thereto, relating to license food establishments, swimming pools, private ambulances and cross connection control devices and testers. (Department of Public Health)

ACTION:

23. File 146-91-41. [Grant - State Funds] Resolution authorizing the Department of Public Health, Bureau of Toxics, Health and Safety Services, to accept and expend a grant of \$318,750 which includes indirect costs in the amount of \$36,055 based on 20% of personnel costs from the State Water Resources Control Board, Division of Clean Water Programs, for local oversight cleanup activities at leaking underground storage tank sites funded by the grant, and to authorize the expenditure of grant funds to establish and finance Civil Service position for the provision of these services. (Department of Public Health)

ACTION:

24. File 146-91-42. [Grant - Federal through the State] Resolution authorizing the Department of Public Health, Community Substance Abuse Services, to apply for a grant up to the amount of \$9,979,190 from the U.S. Department of Health and Human Services/Office of Treatment Improvement through the State of California, Department of Alcohol and Drug Programs to enhance and expand drug treatment services to adolescents who have committed offenses or crimes, or are at risk for doing so. (Department of Public Health)

ACTION:

DEPARTMENT OF PUBLIC HEALTH CONTINUED

25. File 146-91-43. [Grant - Federal Funds] Resolution authorizing the Department of Public Health, Homeless Program, to accept and expend as sub-grantee, with San Francisco Community Clinic Consortium as prime grantee, a continuation augmentation to a grant of \$193,808 from the Federal Public Health Services Funds, for primary health care and substance abuse services, and to authorize the expenditure of grant funds to establish and finance Civil Service positions for the provision of these services. (Department of Public Health)

ACTION:

26. File 146-91-44. [Grant - Federal through the State] Resolution authorizing the Department of Public Health, Community Substance Abuse Services, to apply for a grant up to the amount of \$2,547,878 from the U.S. Department of Health and Human Services/Office of Treatment Improvement through the State of California, Department of Alcohol and Drug Programs to enhance and expand model drug treatment services to residents of public housing. (Department of Public Health)

ACTION:

27. File 146-91-45. [Grant - Federal Funds] Resolution authorizing the Department of Public Health, Community Public Health Services, Special Programs for Youth, to apply for a grant of \$400,000 from the Centers for Disease Control, for an "Epidemiologic Study of HIV Infection in Adolescents and Young Adults". (Department of Public Health)

ACTION:

PUBLIC UTILITIES COMMISSION

28. File 94-91-2. [State Loan - Energy Conservation] Resolution authorizing the Public Utilities Commission to apply for an Energy Conservation Loan from the California Energy Commission for up to \$1.3 Million for the purpose of energy efficiency improvements in the Hall of Justice and the New Sheriff's Facility. (Public Utilities Commission)

(Consideration continued from 5/29/91)

ACTION:

DEPARTMENT OF PUBLIC WORKS

29. File 97-91-34. [Official Memberships] Ordinance amending Administrative Code by amending Section 16.6-9.1 thereof, to add eighteen organizations to the membership list of the Department of Public Works. (Department of Public Works)

ACTION:

30. File 97-91-35. [Official Memberships] Ordinance amending Administrative Code by amending Section 16.6-9.1 thereof, to add nine organizations to the membership list of the Department of Public Works. (Department of Public Works)

ACTION:

DEPARTMENT OF REAL ESTATE

31. File 64-91-10. [Lease of Property] Resolution authorizing extension of four existing leases of real property for various City departments (160 South Van Ness Avenue for Controller's Payroll and Internal Audits Division and South Van Ness and 13 Street, off-street parking lot, Valencia and Stevenson Street, off-street parking and 1440 Harrison Street for the Department of Social Services). (Real Estate Department)

ACTION:

32. File 64-91-14. [Lease of Property] Resolution authorizing a new lease of real property at 555 Seventh Street for three City departments (offices for the Public Defender's Office, Sheriff's Department and the Office of Citizen Complaints). (Real Estate Department).

ACTION:

33. File 65-91-4. [Lease Renewal] Ordinance authorizing negotiated lease renewal of vacant commercial land identified as portion of Assessor's Block 5227 Lot 1, commonly known as 1790 Evans Avenue to M & M Auto Wreckers. (Real Estate Department)

ACTION:

RECREATION AND PARK DEPARTMENT

34. File 25-91-21. [Contracting Out City Services] Resolution concurring with the Controller's certification that security services at the San Francisco Zoo can be practically performed by private contractor for lower cost than similar work services performed by City and County employees. (Recreation and Park Department)

ACTION:

35. File 168-91-2. [Park and Open Space Fund] Resolution concurring with general recommendations on the Park and Open Space Fund for Fiscal Year 1991-92, reserving approval or disapproval on specific acquisitions. (Recreation and Park Commission).

ACTION:

DEPARTMENT OF SOCIAL SERVICES

36. File 101-90-104. [Government Funding] Ordinance appropriating \$4,181,000, Department of Social Services, for General Assistance; providing for ratification of action previously taken. RO #90274. (Controller)

ACTION:

37. File 101-90-105. [Government Funding] Ordinance appropriating \$2,804,429, Department of Social Services, for AFDC-General Assistance. RO #90275. (Controller)

ACTION:

SMALL BUSINESS ADVISORY COMMISSION

38. File 38-91-3. [SBAC - Chevron Gift Acceptance] Resolution authorizing the Small Business Advisory Commission to accept and administer a gift of \$15,000 from the Chevron Corporation to support the activities of the Commission's Green Ribbon Panel. (Small Business Advisory Commission)

ACTION:

**BOARD OF SUPERVISORS****BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

June 3, 1991

TO: Finance Committee

FROM: Budget Analyst

SUBJECT: June 5, 1991 Finance Committee Meeting

DOCUMENTS DEPT.

JUN 5 1991

SAN FRANCISCO
PUBLIC LIBRARYItems 1, 2 and 3 - Files 132-91-4, 132-91-5 and 101-90-120

Note: Files 132-91-4 and File 132-91-5 were continued to the call of the Chair at the May 15, 1991 Finance Committee meeting.

Department: Art Commission

- Items:
1. Authorizing expenditure of \$65,000 by the Art Commission from the Youth Arts Fund for various projects (File 132-91-4).
 2. Authorizing expenditure of \$50,000 by the Art Commission from the Market Street Arts Maintenance Fund for various projects (File 132-91-5).
 3. Supplemental Appropriation for other contractual services and other services (Market Street Arts Maintenance Fund and Youth Arts Fund (File 101-90-120).

Amount: \$115,000

| | | |
|------------------|---------------|-------------------------------------|
| Source of Funds: | \$ 50,000 | Market Street Arts Maintenance Fund |
| | <u>65,000</u> | Youth Arts Fund |
| | \$115,000 | Total |

Description: The Board of Supervisors authorized amending the San Francisco Administrative Code on January 2, 1990 (File 97-89-52) to add Section 10.117-93 and Section 10.117-95 which established two special funds, the Youth Arts Fund and the Market Street Arts Maintenance Fund for the purpose of receiving a portion of the annual payment made to the City under the Advertising Transit Shelter Agreement between

the City and Gannett Outdoor Company, Inc. of Northern California. Under the Advertising Transit Shelter Agreement, a minimum of \$150,000 annually, plus an annual adjustment for inflation based upon the Consumer Price Index (CPI), is provided for the City, with 50 percent of the funds going to MUNI, and 50 percent of the funds going to the Youth Arts Fund. Ms. Margie O'Driscoll, acting Director of the Art Commission, reports that the Art Commission also receives \$50,000 annually, plus an annual escalation of five percent, for the Market Street Arts Maintenance Agreement. Ms. O'Driscoll indicates that MUNI and the Youth Arts Fund each received \$82,604 from Gannett bus shelter revenues in FY 1990-91.

The Youth Arts Fund must be used exclusively for providing programs and opportunities for the talents and creativity of young artists. The Art Commission has the discretion to expend monies from the Youth Arts Fund for these purposes, subject to annual budgetary review and approval by the Board of Supervisors. The proposed ordinance (File No. 101-90-120) would appropriate funds of \$65,000 from the Youth Arts Fund for the following projects:

Youth Arts Festival \$10,000

Four day indoor/outdoor arts festival held in conjunction with the San Francisco Unified School District (SFUSD) and the De Young Museum

Masks Project

Provide payment for artists who participated in a program to create masks with youth at various middle schools. The payments would be provided to the following artists:

| | |
|------------------------|--------------|
| Calvin Yau Chin | 2,000 |
| Mark S. Knego | 2,000 |
| Xochiti Nevel Guerrero | 2,000 |
| Tony Yuen | <u>4,000</u> |
| Total Masks Project | 10,000 |

Artist in Residence Program

Artists would provide various arts program to underserved schools and non-profit organizations 25,000

Neighborhood Youth Arts Program 10,000

Held in conjunction with the Neighborhood Arts Program, providing youth arts projects primarily at the City's Cultural Centers

BOARD OF SUPERVISORS
BUDGET ANALYST

| | |
|--|-----------------|
| <u>Contingency and Administrative Costs</u> | <u>\$10,000</u> |
| Total proposed expenditure from Youth Arts Fund | \$65,000 |

The Market Street Arts Maintenance Fund must be used exclusively for the maintenance and restoration of public art on Market Street. The San Francisco Art Commission has the discretion to expend monies from the Market Street Arts Maintenance Fund for these purposes, subject to annual budgetary review and approval by the Board of Supervisors.

The proposed ordinance (File 101-90-120) would appropriate \$50,000 from the Market Street Arts Maintenance Fund to be used as follows:

Maintenance of Historic Monuments

| | |
|--|----------|
| Inspection, cleaning, waxing, re-coating and graffiti removal | \$30,000 |
|--|----------|

Maintenance of Transit Shelter Art Program

| | |
|--|--------|
| Inspection, replacement of damaged poster art, re-printing costs, re-installation | 15,000 |
|--|--------|

Administration and Contingency

| | |
|--|--------------|
| Salary, related program expenses, photographic documentation of monument and contemporary art work restoration | <u>5,000</u> |
|--|--------------|

| | |
|--|----------|
| Total proposed expenditure from Market Street Arts Maintenance Fund | \$50,000 |
|--|----------|

Comments:

1. The Art Commission reports that the Youth Arts Festival, from which \$10,000 from the Youth Arts Fund would be expended, was a collaborative project of the Fine Arts Museums of San Francisco, the San Francisco Unified School District, the Art Commission, the San Francisco Education Fund, the District 2 Parent Teachers Association, the California Alliance for Arts Education, and the Kennedy Center for the Performing Arts. The festival was held during the weekend of May 10-12, 1991. Ms. O'Driscoll reports that the \$10,000 budgeted from the Youth Arts Fund would reimburse the Youth Arts Festival for a portion of the honorariums provided to artists who participated in "Hands On the Arts" which included over 20 different demonstrations and workshops, and for a portion of the series of performances by local jazz performers at the festival. Since the Art Commission proposes to reimburse the Youth Arts Festival which has already occurred, the proposed ordinance

BOARD OF SUPERVISORS
BUDGET ANALYST

should be amended to authorize the Art Commission to expend the \$10,000 budgeted for the Youth Arts Festival retroactively.

2. Ms. O'Driscoll reports that the Masks Project was a project in which four local artists instructed middle school students in creating masks. The program was provided at Horace Mann Middle School, Potrero Hill Middle School, and at James Denman Middle School during the 1990-91 school year. As reflected in the above budget, the \$10,000 budgeted for the Masks Project would provide payments to the four artists who participated in the program. Ms. Kathryn Pennypacker of the City Attorney's Office reports that the \$10,000 budgeted for the Masks Project was supposed to be funded through Festival 2000 but because the Festival went bankrupt, the funds are now included as part of the Youth Arts Fund proposed expenditure. Since the Art Commission proposes to fund the Masks Project which has already occurred, the proposed ordinance should be amended to authorize the Art Commission to expend the \$10,000 budgeted for the Masks Project retroactively.

3. Ms. O'Driscoll anticipates that both the Artist in Residence Program (\$25,000), and the Neighborhood Youth Arts Program (\$10,000) would occur before the end of August, 1991. Ms. O'Driscoll reports that the Artist in Residence Program would develop arts programs for youth at either San Francisco schools or at non-profit organizations, and the Neighborhood Youth Arts Program would occur at neighborhood cultural centers (South of Market, Bayview, Western Addition and Mission). Ms. O'Driscoll indicates that the Art Commission would initiate an application process whereby artists and arts organizations would provide proposals which define the scope of services to develop arts programs for youth. Since the Art Commission does not yet have sufficient budget and program details for the Artist in Residence Program and the Neighborhood Youth Arts Program, the Budget Analyst recommends that the \$35,000 budgeted for these two programs be placed on reserve pending more specific budget and program details.

4. Ms. Ann Kronenberg of the Art Commission reports that the Art Commission is required by City Charter to maintain historical monuments. Ms. O'Driscoll reports that the \$30,000 budgeted from the Market Street Arts Maintenance Fund for the Maintenance of Historic Monuments would be used for the inspection, cleaning, waxing, re-coating and graffiti removal of monuments. Ms. O'Driscoll indicates that seven monuments along Market Street would be evaluated to determine which four monuments are in greatest need of

BOARD OF SUPERVISORS
BUDGET ANALYST

repair. Monuments under consideration are the Admissions Day, Mechanics, Spanish American War, Pioneer, Juan Bautista de Anza, King Carlos of Spain, and Simon Bolivar. Ms. O'Driscoll reports that because of the specialized nature of the graffiti removal from the monuments, the work would be awarded in a sole source basis through a contract with Mr. Piero Mussi, who is located in Berkeley.

5. Ms. Kronenberg also reports that the \$15,000 budgeted for the Maintenance of the Transit Shelter Art Program would be used by the Art Commission to purchase, and reprint posters at various transit shelters. The actual replacement work would be done by Gannett under the Advertising Transit Shelter Agreement, and is not part of the \$15,000 budgeted for Maintenance of the Transit Shelter Art Program. Ms. O'Driscoll reports that the Art Commission has not yet determined who would perform the work. Therefore, the Budget Analyst recommends that the \$15,000 budgeted for the Maintenance of the Transit Shelter Art Program be placed on reserve pending more specific budget and program details.

6. Mr. Raymond Wong of the Art Commission reports that there is currently \$82,604 available in the Youth Arts Fund. Mr. Wong also reports that there is currently \$52,500 available in the Market Street Arts Maintenance Fund. The balance remaining in both the Youth Arts Fund and the Market Street Arts Maintenance Fund at the end of FY 1990-91 would be carried forward to FY 1991-92.

- Recommendations:**
1. Reserve the \$25,000 budgeted from the Youth Arts Fund for the Artist in Residence Program and \$10,000 for the Neighborhood Youth Arts Program from the proposed ordinance (File 101-90-120) pending more specific budget and program details.
 2. Reserve the \$15,000 budgeted from the Market Street Arts Maintenance Fund for the Maintenance of the Transit Shelter Art Program from the proposed ordinance (File 101-90-120) pending more specific budget and program details.
 3. Amend the proposed ordinance to authorize the Art Commission to expend \$10,000 budgeted for the Youth Arts Festival and \$10,000 budgeted for the Masks Project retroactively.
 4. Approve the two proposed resolutions and the proposed ordinance, as amended.

Item 4 - File 170-91-3

Proposed Action: The proposed resolution would determine and declare the public interest and necessity for a General Obligation bond issuance to provide loans or grants for the construction or reconstruction of Unreinforced Masonry Buildings (UMB) for multifamily housing and commercial purposes; provided, however, that no more than fifteen percent of this total authorization shall be used for loans or grants for commercial purposes; that the estimated cost of \$95 million for said municipal improvement is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require the incurring of bonded indebtedness; provided, however, that no more than \$20 million of this authorization shall be sold in any one fiscal year.

Amount: \$95 million

Description: The State of California has required all localities to identify UMBs and establish a program to mitigate the hazards of UMBs resulting from a major earthquake. The State will not reimburse the City for the costs of the program. To address the hazards of UMBs, the Chief Administrative Officer appointed a Task Force on Unreinforced Masonry Buildings. The Task Force has examined the problem of UMBs and has issued a report, including recommendations, that proposes mandatory retrofit standards for residential and commercial UMBs over a 13-year period. The Task Force also proposes a UMB Safety Program Bond Issue.

The Task Force estimates that the cost of retrofitting the City's 2,000 UMBs to make them seismically safe is \$427 million. Most of these costs would be borne by the building owners.

Of the 2,000 privately-owned UMBs, approximately 800 are used for low-income housing and small owner-occupied businesses. The Task Force has recommended that General Obligation Bonds be issued to assist building owners in retrofitting those UMBs where housing affordability and small business operations are threatened by the cost of the retrofit.

The proposed bond issue in the amount of \$95 million would provide funds for the acquisition, construction, or reconstruction of privately owned UMBs. The proposed bond program would provide financial assistance in the form of loans to owners of UMBs, who in turn, would guarantee to continue to provide housing rentals at affordable levels in those buildings to be seismically strengthened.

The goals of the proposed bond program are to:

- Reduce earthquake-related death and injury
- Preserve housing
- Preserve jobs
- Protect existing building stock
- Reduce costs of earthquake response and recovery.

Bond funds would be loaned to eligible building owners at an interest rate equal to the bond rate, with loan terms of 30 years for residential owners and a range of 5 to 20 years for commercial owners. The loans would be secured by a deed of trust on the property.

The proposed bond program would target the approximately 800 UMBs that provide low-cost housing and space for commercial owner/users. Mr. David Prowler of the CAO's Office has estimated that approximately 700 UMBs provide low-income housing and another 100 buildings are used by commercial owners.

Of the proposed \$95 million, approximately \$75 million would be allocated for retrofit of those UMBs containing low-income housing. The remaining \$20 million would be allocated to commercial owner/occupants of UMBs.

The Task Force recommended that the proposed \$95 million bond authorization be allocated as follows:

| | Amount in <u>Millions</u> |
|---|------------------------------|
| Residential portions of apartment buildings where at least 20 percent of the residential units are occupied by very-low income households | \$38 |
| Residential hotels owned by non-profit corporations | 2 |

BOARD OF SUPERVISORS
BUDGET ANALYST

| | <u>Amount in Millions</u> |
|---|-------------------------------|
| Apartment buildings with low-income households, but with fewer than 20 percent that are very-low income | \$10 |
| Residential hotels owned by for-profit businesses | 19 |
| Nonresidential properties | 20 |
| Commercial portions of apartment buildings, which exceed 5 percent of the building | <u>6</u> |
| Total proposed bond issue | \$95 |

Since these bonds will be general obligation bonds, the City would pay for the bonds through a levy on properties in the City and County of San Francisco. The Task Force has recommended that repayments of the loans not be used to service the debt, but rather to make new loans. Upon the completion of all retrofitting, future loan repayments would be placed in a fund to make further loans to correct health, safety and code deficiencies of low-income housing and owner-occupied commercial buildings throughout the City. The Task Force has further recommended that first priority for such future loans be given to seismic retrofitting.

As noted above, the resolution states that no more than \$20 million of the \$95 million authorization could be sold in any one year.

Comments:

1. The Budget Analyst has been advised that an amendment of the whole will be submitted that would:
 - Delete the phrase, "provided, however, that no more than fifteen percent of this total authorization shall be used for loans or grants for commercial purposes;"
 - Change the maximum amount that can be sold in any one fiscal year from \$20 million to \$32 million.
2. Section 43607 of the State Government Code requires a two-thirds vote of all members of the Board of Supervisors for adoption of this resolution.

3. The CAO's Office presently estimates that the bonds could be sold at an interest rate of approximately 9.0 percent. The CAO's Office further expects that the tax rate would increase by approximately \$.0157, assuming an interest rate of 9.0 percent. Assuming a tax rate increase of approximately \$.0157, a homeowner with an assessed house value of \$250,000 would be taxed an additional \$38.15 annually.

4. The proposed resolution does not authorize the issuance of the \$95 million in General Obligation bonds, but declares the public interest and necessity for the proposed issuance and declares the intent of the City to place the proposed bond issuance on the November ballot.

5. Under existing State law, cities may not issue bonds for seismic retrofitting of privately-owned properties. However, the State and counties may issue bonds for such purposes. AB 1001, currently before the State Assembly, would amend the State law to permit cities to issue bonds for seismic retrofitting of privately-owned properties. City staff advise that the State legislature and the Governor are expected to approve the measure before the bond proposition is presented to the voters.

6. Mr. Prowler advises that a Final Environmental Impact Review on the City's proposed UMB retrofit program has been completed and is available for public comment through mid-June. The Final EIR is scheduled to be reviewed and approved by the Planning Commission in mid-July. Once approved by the Planning Commission, the Planning Commission will forward the final EIR to the Board of Supervisors for review and approval, presently scheduled for after mid-July.

7. The Task Force proposal also notes that the City would incur a cost roughly estimated at \$400,000 per year to administer the loan program during the 13-year implementation period. After the 13th year, the estimated administrative cost decreases to \$150,000 per year. Over the proposed 30 years, the City's administrative costs would total approximately \$7.9 million. The Task Force did not provide details of these administrative costs. These administrative costs cannot be paid from the bond proceeds. However, the Task Force proposes to offset some of the administrative costs by charging building owners a loan fee of four percent, which would be payable at the time the loan is made. Remaining costs not offset by the loan fee would be paid from the General Fund.

8. As noted above, upon the completion of all retrofitting, future loan repayments would be placed in a fund to make further loans to correct health, safety and code deficiencies of low-income housing and owner-occupied commercial buildings throughout the City. The Task Force has further recommended that first priority for such future loans be given to seismic retrofitting.

Recommendation: Approve the proposed amendment of the whole.

Approval of the proposed resolution as amended is a policy matter for the Board of Supervisors.

Item 5 - File 68-90-16.3

Department: Mayor's Office of Public Safety

Item: Release of Reserved Funds

Amount: \$154,112

Source of Funds: Federal Office for Substance Abuse Prevention (OSAP)

Project: The Community Partnership Program

Description: The Board of Supervisors previously approved an amendment to a resolution which authorized the Mayor to apply for, accept and expend a Federal grant in the amount of \$721,186 and extend the grant period for an additional three months. The Federal grant is being used to implement a City-wide, multi-disciplinary, comprehensive, neighborhood and youth oriented action plan, to address the City's alcohol and drug abuse problems. The plan expands on the planning and program implementation efforts of the Mayor's Drug Symposium Task Force. The Task Force is comprised of representatives of neighborhood-based agencies, and corporate community, treatment providers, tenant associations, and youth. The Board of Supervisors reserved \$237,530 of that \$721,186. The \$237,530 (\$11,000 for training, \$220,938 for community based self-help group services and \$5,592 for computer equipment) was placed on reserve pending submission of budget details, identification of contractors and Electronic Information Processing Steering Committee (EIPSC) approval. The Mayor's Office is requesting a release of \$154,112 of the \$237,530 in reserved funds (\$148,520 is for community based self-help group services and \$5,592 for computer equipment).

The Mayor's Office received applications from 34 community-based organizations for funding totalling \$850,000. The Mayor's Office only has \$150,000 available for the first round of applications. The Mayor's Office selected the following 17 organizations out of the 34 organizations that submitted applications to provide community-based self help group services.

Memo to Finance Committee
June 5, 1991

| <u>Agency</u> | <u>Amount</u> |
|--|---------------|
| Western Addition Council of Youth-Serving Agencies | \$12,000 |
| Parents for Change | 5,000 |
| Visitation Valley Community Center, Inc. | 10,000 |
| The San Francisco Boys and Girls Club, Alice Griffith Branch | 9,000 |
| Visitation Valley Parents for Youth | 5,000 |
| Mother and Fathers of Concern | 15,000 |
| Grandparents Who Care | 10,000 |
| Fair Oaks Neighbors | 12,020 |
| North of Market Planning Coalition | 15,000 |
| Coalition for Immigrant & Refugee Rights and Services | 5,000 |
| Hayes Valley Tenants Association | 5,000 |
| Hunter's View Tenants Association | 5,000 |
| OMI Neighbors in Action | 13,000 |
| Telegraph Hill Neighborhood Center Community Educational Services | 10,000 |
| Potrero Hill Neighborhood House | 7,500 |
| OMI-Program Community Center | 5,000 |
| Dream Makers, Plaza East | <u>5,000</u> |
| Total | \$148,520 |

BOARD OF SUPERVISORS
BUDGET ANALYST

Comment:

The Mayor's Office has received EIPSC approval for the purchase of one Macintosh IIsi at \$3,814, two Macintosh Classic 2/40s at \$2,568 each, one Laser-Writer II NT at \$2,400, and \$2,981 for software plus \$882.22 for sales tax for a total of \$12,645.22. The proposed release of \$5,592 would fund part of this computer equipment purchase. The Mayor's Office reports that \$4,072.22 of the unspent grant funds budgeted for contractual services and \$2,981 unspent funds budgeted for supplies would be used to fund the remaining \$7,053.22 budgeted for computer equipment. Ms. Sandy Bonilla of the Mayor's Office advises that the grantor is allowing the Mayor's Office to reallocate these unspent funds to purchase computer equipment. Ms. Bonilla further advises that the Mayor's Office needs to reallocate these other funds because the price for the computer equipment has increased since the Mayor's Office initially made the grant budget. Abascus, a City-certified WBE firm, has been selected to provide the computer equipment.

Recommendation: Release the \$154,112 in reserved funds.

Item 6 - File 101-90-111

Department: Airport Commission

Item: Ordinance appropriating funds for overtime for Fiscal Year 1990-91.

Amount: \$151,000

Source of Funds: Airport Operating Funds

Description: The Airport has requested \$151,000 to pay for greater than expected overtime expenses incurred during the Persian Gulf War.

According to Mr. John Martin of the Airport, the Airport did not budget sufficient funds for overtime to absorb the extraordinary costs of the Persian Gulf War. Due to a Federal Aviation Administration imposed Level 4 Security Alert, the Airport has expended, as of the end of April, 1991, \$109,764 for Airport Police overtime and \$10,354 for general Airport operations related to the Persian Gulf War, for a total of \$120,118.

Mr. Martin further reports that the Airport expects to spend an additional \$30,000 between May 1, 1991 and June 30, 1991 for overtime related to keeping the Airport on the Level 4 Security Alert. While the FAA Level 4 Security Alert ended May 17, 1991, the Airport will maintain heightened security levels. In addition, Mr. Martin advises that the Airport will continue to authorize overtime to allow Airport Police Officers to take vacation leave not authorized during the Persian Gulf crisis.

For the entire FY 1990-91, the Airport expects to incur a total of \$150,118 in overtime expenses related to the Persian Gulf War. The Airport has therefore requested a supplemental appropriation of \$151,000.

Comments:

1. For Fiscal Year 1990-91, the Airport budgeted a total of \$1,142,246 in its operating fund for overtime. Based on the Airport's budgeted overtime allocation, and the actual and expected overtime costs, the Budget Analyst has projected the Airport's need for supplemental appropriation as follows:

BOARD OF SUPERVISORS
BUDGET ANALYST

| | |
|---|------------------|
| FY 1990-91 budget for overtime | \$1,142,246 |
| Less Non-Gulf War overtime expenses | 971,534 |
| Less projected non-gulf War expenditures for May 1, 1991 through June 30, 1991 | <u>194,307</u> |
| Budgeted amount remaining | (\$23,595) |
| Less actual and projected Gulf War expenditures | <u>(150,118)</u> |
| Total amount needed | (\$173,713) |
| Amount of Supplemental Appropriation Request | <u>151,000</u> |
| Total projected unfunded overtime | (\$22,713) |

Including the proposed supplemental appropriation of \$151,000, the Airport's total appropriation for overtime may not be sufficient to cover the total projected cost of overtime for FY 1990-91. Therefore, based on the above calculations, the Airport's request for \$151,000 is justified.

2. As noted above, Mr. Martin has advised that the FAA lifted the Level 4 Security Alert on May 17, 1991. However, according to Mr. Martin, the Airport still expects to incur the added overtime expenses as police staff must work overtime to cover for staff on scheduled vacation leave.

Recommendation: Approve the proposed ordinance.

Item 7 - File 101-90-10.3

Department: Asian Art Museum (AAM)

Item: Request a release of reserved Earthquake Safety Bond funds to conduct the Peer Review of seismic strengthening study.

Amount: \$36,250

Source of Funds: Earthquake Safety Bond Funds

Description: In September, 1990, the Board of Supervisors approved the first bond sale appropriation request of \$18,927,166 for Phase I of the Earthquake Safety Program Ordinance (No. 333-90). Of the \$18,927,166 approved, \$6,756,266 was placed on reserve subject to release by the Finance Committee. The Asian Art Museum's share of this \$6,756,266 reserve was \$1,357,365 for the predesign study and design phases of seismic improvements to the existing Main Public Library. The Main Public Library building would be renovated to serve as the "Asian at the Civic Center." The \$1,357,365 was placed on reserve pending selection of design and engineering consultants, a budget for the contract hours, and the MBE/WBE/LBE status of the contractors.

The Finance Committee, on April 3, 1991, released \$346,705 of the \$1,357,365 on reserve to pay for the predesign study and seismic strengthening study of the Main Public Library. The Finance Committee continued to reserve the remaining \$1,010,660 for peer review of the seismic strengthening consultant (\$36,990), and for architectural design (\$973,670).

The Asian Art Museum is now requesting a release of \$36,990 from the remaining \$1,010,660 on reserve. The Asian Art Museum proposes to hire Lindvall Richter Associates to perform the peer review of the contractor conducting the seismic strengthening study. Lindvall Richter Associates is not an LBE, MBE, or a WBE firm. The Asian Art Museum has also obtained a waiver from the Human Rights Commission to contract with Lindvall Richter Associates as a sole source contractor. The Asian Art Museum states that Lindvall Richter Associates is the most qualified firm with the capability of reviewing the results of the seismic study, as it relates to the protection of the Museum's valuable collection of artifacts.

BOARD OF SUPERVISORS
BUDGET ANALYST

Project Budget:

| | <u>Total Cost</u> <u>Per Hour</u> | <u>Hours</u> | <u>Amount</u> |
|--|--------------------------------------|--------------|---------------|
| Peer Review | \$125 | 226 | \$28,250 |
| Four on-site visits including consultant time, travel, lodging, and food (\$2,000/trip) | | | <u>8,000</u> |
| Total contractual amount | | | \$36,250 |
| Contract contingency (10%) | | | <u>3,625</u> |
| Total estimated cost of peer review | | | \$39,875 |
| Less funds allocated for peer review and previously appropriated from the Earthquake Safety Program, Phase 2 Bond Funds | | | <u>2,885</u> |
| Total amount requested for release from reserve | | | \$36,990 |

Comments:

1. Although the Finance Committee Calendar specifies a request for release of reserve in the amount of \$36,250, the Asian Art Museum intended to request the release of \$36,990, as noted above. Therefore, the actual requested amount for release by the Finance Committee is \$36,990.
2. It should be noted that Mr. Rudy Nothenberg, Chief Administrative Officer, in a letter to the Board of Supervisors, dated March 26, 1991, had raised several concerns, including whether sufficient private funding would be raised to convert the old Main Public Library to the "Asian at the Civic Center." Mr. Nothenberg subsequently recommended that \$973,670 be reserved pending some evidence of adequate private funding for the conversion of the Main Public Library to the new Asian Art Museum. However, Mr. Nothenberg agreed that funding for the seismic analysis was needed, including the peer review, since the seismic analysis would resolve specific technical differences in opinion regarding the best method for seismically upgrading the building.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
June 5, 1991

- Recommendations:**
1. Approve the request for release of reserve in the amount of \$36,990 for peer review of the seismic strengthening study.
 2. Continue to reserve the remaining \$973,670.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 8 - File 25-91-22

Department: Board of Supervisors

Proposed Action: Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

Services to be Performed: Computer programming services for enhancements to its Assessment Appeals Board system, including changes to the main menu, reports and screens.

Description: The Controller has determined that contracting for these computer programming services in fiscal year 1991-92 would result in estimated savings as follows:

| | 122 Person <u>Hours</u> | 161 Person <u>Hours</u> |
|------------------------------------|-------------------------------|-------------------------------|
| <u>City Operated Service Costs</u> | | |
| Salaries & Fringe Benefits | \$6,005 | \$7,924 |
| <u>Contracted Service Cost</u> | <u>5,600</u> | <u>5,600</u> |
| <u>Estimated Savings</u> | \$405 | \$2,324 |

Comments: 1. This is a one-time only, three-to-four week project. The project will begin the last week of June, 1991; therefore, it will continue into fiscal year 1991-92. Payment will be made upon completion of the project.

2. According to Mr. Erasmo Vazquez of the Board of Supervisors, the proposed computer programming contract would be with Systemhouse, Inc. Mr. Vazquez reports that, as reflected above, Systemhouse, Inc. will not change its fee based on the number of hours the project takes to complete. Systemhouse, Inc. is a City-certified MBE firm.

3. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of this contract, is attached.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

CHARTER 8.300-1 (Proposition J) QUESTIONNAIRE

Department Board of Supervisors

Contract Services Computer Programming

For the term starting approximately June 10th through June 30, 1991

- 1) Who performed services prior to contracting out?

Programming staff from Controller's ISD performs like services on an as-needed basis.

- 2) Number of City employees laid off as a result of contracting out?

None

- 3) Explain disposition of employees if they were not laid off

Employees perform duties for other city departments.

- 4) What percent of a City employee's time is spent on services to be contracted out?

Approximately three (3) man-weeks.

- 5) How long have the services been contracted out?

This is a one-time project.

- 6) When was the first fiscal year for a Proposition J certification?

Not applicable. This is a one-time project.

- 7) How will contract services meet the goals of your MBE/WBE Action Plan?

It will conform with the plan.

Erasmo Vazquez
Department Representative

554-4909
Telephone

Memo to Finance Committee
June 5, 1991

Item 9 - File 101-90-106

Departments: Fire
Police
Sheriff
Purchasing
Recreation and Park
Juvenile Probation
Employees Retirement System

Item: Supplemental Appropriation Ordinance and rescinding
\$115,727 from various appropriations

Amount: \$1,658,476

Source of Funds:

| | |
|-------------------|---------------|
| General Fund | \$1,542,749 |
| Open Space Fund | 78,448 |
| Yacht Harbor Fund | <u>37,279</u> |
| Total | \$1,658,476 |

Description: The Employees Retirement System (ERS) has determined that there is an anticipated shortfall in the Workers Compensation costs of the ERS 1990-1991 budget for seven departments in the amount of \$1,658,476.

The ERS Workers Compensation Division administers the provisions contained in the California Labor Code relative to industrial injuries sustained by employees. These benefits include medical payments, indemnity payments and rehabilitation. All employees of the City and County of San Francisco and the San Francisco Unified School District receive treatment for job-incurred injuries or illnesses. In addition to providing for the care and treatment of injured employees, the Workers Compensation Division processes all injury claims and determines eligibility for Workers Compensation benefits and disburses payments for medical and other expenses incurred as a result of work-related injuries or illnesses.

Workers Compensation costs to the City include direct injury payments for legal services, medical services, permanent disability, rehabilitation, and temporary disability.

The fiscal year 1990-91 annual budget for Workers Compensation benefits and the actual and projected amount of expenditures for FY 1990-91 identify an anticipated shortfall of \$1,658,476 according to the projections of the Accounting Department of the Employees' Retirement System. These projections were made in

BOARD OF SUPERVISORS
BUDGET ANALYST

March, 1991, based on actual amounts spent from July 1, 1990 through February 28, 1991. ERS's anticipated shortfall for the Recreation and Park, Retirement, Fire, Police, Sheriff, Purchasing, and Juvenile Probation Departments is as follows:

| | <u>FY 90-91 Budget</u> | <u>FY 90-91 Projected Expenditures</u> | <u>Projected Shortfall</u> |
|--------------------|----------------------------|--|--------------------------------|
| Rec & Park | \$896,622 | \$1,015,934 | \$119,312 |
| Retirement | 31,820 | 61,988 | 30,168 |
| Fire | 2,864,152 | 3,493,467 | 629,315 |
| Police | 3,798,191 | 4,321,818 | 523,627 |
| Sheriff | 440,935 | 599,046 | 158,111 |
| Purchasing | 148,357 | 286,032 | 137,675 |
| Juvenile Probation | <u>148,910</u> | <u>209,178</u> | <u>60,268</u> |
| TOTALS | \$8,328,987 | \$9,987,463 | \$1,658,476 |

The proposed resolution would approve rescinding monies from the Open Space Fund and the Yacht Harbor Fund to offset the Recreation and Park Department's projected shortfall as follows:

Open Space Fund

| | |
|----------------------------|---------------|
| Permanent Salaries - Misc. | \$31,448 |
| Permanent Salaries - Craft | 22,000 |
| Retirement | <u>25,000</u> |
| Total | \$78,448 |

Yacht Harbor Fund

| | |
|--------------------|---------------|
| Permanent Salaries | 15,000 |
| Overtime | 10,000 |
| Retirement | <u>12,279</u> |
| Total | \$37,279 |

Total Open Space and Yacht Harbor Funds \$115,727

Thus, the total amount requested from the General Fund for Recreation and Park would be \$3,585 (\$119,312 less \$115,727), and the total amount requested from the General Fund for the combined departments would be \$1,542,749 (\$1,658,476 less \$115,727).

Comments:

1. The Budget Analyst's estimated shortfall, based on actual amounts spent through April 30, 1991, is \$2,208,700. The Budget Analyst's anticipated shortfall for the Recreation and Park, Retirement, Fire, Police, Sheriff,

BOARD OF SUPERVISORS
BUDGET ANALYST

Purchasing, and Juvenile Probation Departments is as follows:

| | <u>FY 90-91 Budget</u> | <u>FY 90-91 Projected Expenditures</u> | <u>Projected Shortfall</u> |
|--------------------|----------------------------|--|--------------------------------|
| Rec & Park | \$896,622 | \$1,035,706 | \$139,084 |
| Retirement | 31,820 | 64,631 | 32,811 |
| Fire | 2,864,152 | 3,690,716 | 826,564 |
| Police | 3,798,191 | 4,599,562 | 801,371 |
| Sheriff | 440,935 | 631,368 | 190,433 |
| Purchasing | 148,357 | 266,819 | 118,462 |
| Juvenile Probation | <u>148,910</u> | <u>248,885</u> | <u>99,975</u> |
| TOTALS | \$8,328,987 | 10,537,687 | \$2,208,700 |

2. The Budget Analyst's projected shortfall exceeds ERS's projections by \$550,224. This is because in every department except Purchasing, actual workers compensation benefits paid were higher than projected in March and April, 1991. ERS is aware that the Supplemental Appropriation requested is insufficient. Mr. Ted Wong of ERS reports that if Workers Compensation costs exceed the budget and Supplemental Appropriation funds as anticipated, the Controller will transfer funds directly to Workers Compensation from an as yet undesignated, valid source. ERS will not file another Supplemental Appropriation request.

3. Mr. Wong reports that budget estimates for Workers Compensation have been low every year for the past five years. Supplemental Appropriations were approved in each of those years.

4. According to a March 12, 1991 Controller's Office Internal Audit of the City and County of San Francisco's Workers Compensation Program, Workers Compensation costs include an accumulation of benefits from previous years in addition to new claims. One reason expenditures have exceeded the amount budgeted, the Controller's Audit reports, is that no reserve fund exists to pay the \$106 million in ongoing benefits. Ongoing claims are paid through the regular Workers Compensation funds, although the cost of these claims is not included in projected expenditures. The 1990-91 budget also anticipated a five percent rise in medical costs, while medical costs actually rose over 13 percent in FY 1990-91. Mr. Keith Grand of the Chief Administrative Office (CAO) states that the budget also did not account for new State legislation which expanded benefits, including a

BOARD OF SUPERVISORS
BUDGET ANALYST

26 percent increase in temporary disability benefits, a six percent increase in permanent disability benefits, and an increase in the scope of coverage to include injury to City workers using job-related skills outside the State.

The Controller's Audit indicates that the recommended caseload for claim adjusters is 200 open cases at any given time and that the ERS claim adjusters manage about 400 open cases. This results in inadequate monitoring of cases.

5. The Controller's Audit, however, indicates that the total number of claims including those of temporary, San Francisco Unified School District (SFUSD) and City College employees decreased slightly from 8,345 claims in 1989 to 7,998 claims in 1990. At the same time, the total number of employees, including SFUSD and City College employees, increased slightly from approximately 28,198 in 1989 to approximately 30,105 in 1990. Thus, approximately 30 percent of employees filed claims in 1989, and approximately 27 percent filed claims in 1990.

6. According to Mr. Grand the CAO has implemented plans for reducing Workers Compensation costs. These include encouraging departments through examples, workshops, and written forms to comply with a State law requiring that every employer provide a written Injury and Illness Prevention Program, and the installation of a personal computer program in every department which facilitates processing Workers Compensation forms and provides accurate, current information on department year-to-date spending. However, Mr. Grand reports that Workers Compensation is not a high priority for most departments. The effectiveness of these programs has been minimal because they depend on the voluntary participation of the departments.

Mr. Grand also reports that Workers Compensation funds, though earmarked by department, are administered by ERS. The CAO would like to implement a Cost Allocation System which would budget Workers Compensation costs to the individual departments, thereby providing incentives to stay within budget. Mr. Grand states that high-risk departments, such as Police and Fire, are resistant to this plan because they fear that if costs exceed budgeted amounts for their departments, Workers Compensation will reduce the quality of service by draining department funds. Mr. Grand further states that it is unlikely that the Cost Allocation System will be approved for FY 1991-92.

BOARD OF SUPERVISORS
BUDGET ANALYST

7. The Controller's Audit of Workers Compensation makes several recommendations for reducing Workers Compensation costs, including but not limited to reducing claim adjuster caseloads and establishing a reserve fund to pay the outstanding \$106 million in on-going benefits from past years. The Audit also recommends centralizing all Workers Compensation responsibility within ERS. Currently, individual departments do not control the acceptance or rejection of Workers Compensation, but they are responsible for claims reporting and requesting funds. This limits the ability of ERS to oversee claims because they have no direct contact with the injured employee. It also limits departmental responsibility because departments do not control their Workers Compensation budget through approval or rejection of claims.

8. According to Ms. Maggie Jacobson, Chair of the Mayor's Task Force on Workers Compensation, the Task Force is using the Controller's Audit to devise a strategy for reducing Workers Compensation costs in FY 1991-92. Ms. Jacobson reports that the Controller's Audit recommendations to increase departmental awareness through information dissemination and feedback from ERS, to increase departmental accountability through additional reporting, and to implement departmental training in monitoring and applying for Workers Compensation will be implemented in FY 1991-92. In addition, she states, the City has already begun to renegotiate union contracts as they arise to allow employees to perform light duty work while receiving Workers Compensation.

Recommendation: Approve the proposed legislation.

Item 10 - File 101-90-110

Department: Retirement System

Item: Ordinance appropriating funds for non-work order services of other City Departments, City Attorney Services, Retirement System for Fiscal Year 1990-91.

Amount: \$110,819

Source of Funds: Employees Retirement System Trust Fund

Description: The Retirement System has requested \$110,819 to pay for additional City Attorney's Services beyond the \$302,658 budgeted for FY 1990-91. The costs of City Attorney's services are paid by the Employees Retirement System Trust Fund, which administers retirement contributions received from the City and employees and pays out benefits to retired City employees. The Trust Fund is currently valued at over \$4 billion.

The Retirement System has cited the following additional work, totalling approximately 1,100 hours, which requires the additional funding of \$110,819:

- IRS and other related tax issues
- Pension rules related to military credit prior to the Gulf War
- Proposition D, which was on the November, 1990 ballot
- Investments in Limited Partnerships
- Real Estate Investments
- Deferred compensation

Comments: For Fiscal Year 1990-91, the Retirement System has budgeted a total of \$302,658 for City Attorney Services. According to Mr. Fay Woo of the Retirement System, the City Attorney's Office has billed the Retirement System Trust Fund for \$285,051 through March 31, 1991. Mr. Woo further advises that the City Attorney's Office has revised its estimate of the projected costs through the remainder of the Fiscal Year from \$110,819 to \$85,000. Based on the Retirement System's budget for City Attorney's Services, and actual and expected costs, the Budget Analyst has projected the Retirement System's need for supplemental appropriation as follows:

| | |
|--|-----------------|
| FY 1990-91 budget for City Attorney Services | \$302,658 |
| Less actual expenditures from July 1, 1990 through April 30, 1991 | <u>285,051</u> |
| Budgeted amount remaining | \$17,607 |
| Projected expenditures from March 31, 1991 through June 30, 1991 | <u>(85,000)</u> |
| Total amount needed | (\$67,393) |
| Supplemental Appropriation Request | <u>110,819</u> |
| Amount of Supplemental Appropriation Request not needed | \$43,426 |

Based on the above calculations, the Retirement System would require an appropriation of an additional \$67,393 for the services of the City Attorney's Office in FY 1990-91. Therefore, the request for \$110,819 should be reduced by \$43,426.

Recommendation: Amend the proposed ordinance to reduce the proposed amount by \$43,426, from \$110,819 to \$67,393. Approve the proposed ordinance as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 11 - File 95-91-1

1. The proposed resolution would order the annual audit of the Controller's books, including internal controls, for FY 1990-91. The resolution would also authorize the Controller to enter into a three-year contract with a consortium of accounting firms.

2. Under Charter Section 3.305, the Board of Supervisors is required to order an annual audit of the Controller's books. The proposed resolution would fulfill the requirements of Charter Section 3.305 and provide authorization for the Controller to enter into a three-year contract with a joint venture of KPMG Peat Marwick, Williams, Adley and Co. and Associated Asian Certified Public Accounting (CPA) firms for the provision of this annual audit.

3. Under Sections 10.4-10.4-3 of the San Francisco Administrative Code, the City's Audit Advisory Committee recommends the selection of an independent auditor to perform these audits. This Committee has five members consisting of one representative each appointed by the Mayor, the President of the Board of Supervisors and the Controller and two public members nominated by the Mayor and approved by the Controller and the Board of Supervisors. Funding for the contract with the proposed CPA joint venture, which would be authorized if this resolution were approved, is based on the recommendation of the Audit Advisory Committee.

Comments

1. Funds totalling \$163,300 have been requested in the 1991-92 budget of the Board of Supervisors to pay for the FY 1990-91 audit fees. The fee amount of \$163,300 is \$5,700 less than the \$169,000 paid for audit fees for FY 1989-90.

2. Charter Section 3.302 authorizes the Controller to select and enter into contract agreements for the provision of departmental audits. Although not included under this proposed resolution, Mr. Guthrie advises that the same joint venture of KPMG Peat Marwick and Co., et. al., would be selected under the Controller's authority, pursuant to Charter Section 3.302, to perform separate departmental audits for the fiscal year ending June 30, 1990, as follows: (1) the City Employee's Retirement System, (2) the Clean Water Program, (3) the Comprehensive Annual Financial Report (CAFR) in the Controller's Office, (4) the single audit as prescribed by the U.S. General Accounting Office's Auditing and Financial Reporting guidelines, (5) the San Francisco County Transportation Authority, (6) the San Francisco Redevelopment Agency and Financing Authority, (7) the Health Service System, (8) San Francisco General Hospital, and (9) Laguna Honda Hospital. The total cost of these additional audits for fiscal year 1989-90 was \$361,651 as compared to \$377,700 being requested for 1990-91. These audits, which are not included under this proposed resolution, are in addition to the \$163,300 audit of the Controller's books to be authorized under this proposed resolution.

3. Also not included under this proposed resolution are the 1990-91 audits of the Municipal Railway, the Water Department including the special audit (required under the terms of the Suburban Purchaser's Water Rate Agreement) and the Hetch Hetchy Project which are to be awarded by the Controller to a joint venture of Deloitte & Touche, Wallace Mah and Louie and Jeanpierre Co. at a cost of \$260,000 as opposed to the prior year's cost of \$260,170. Further, the Controller has authorized that the 1990-91 audits of the City's Port and Airport will be conducted by the joint venture of Hood & Strong and Tomel and Chu Co. at a cost of \$113,500 as compared to the prior year's cost of \$113,500.

4. A summary of the audits to be awarded and the proposed fees for FY 1990-91 compared with FY 1989-90, is as follows:

| <u>Audit</u> | <u>Audit Firm</u> | <u>Amount</u> | | <u>Increase (Decrease)</u> |
|--|---------------------------|------------------------------|--------------------------------|--------------------------------|
| | | <u>FY 1989-90 Actual</u> | <u>FY 1990-91 Proposed</u> | |
| Controller's Books | KPMG Peat Marwick, et. al | \$169,000 | \$163,300 | |
| Subtotal | | \$169,000 | \$163,300 | * (\$5,700) |
| Retirement System | KPMG Peat Marwick, et. al | \$21,000 | \$27,600 | 6,600 |
| S.F. General Hospital | KPMG Peat Marwick, et. al | 55,000 | 57,700 | 2,700 |
| Clean Water Program | KPMG Peat Marwick, et. al | 31,000 | 31,600 | 600 |
| CAFR | KPMG Peat Marwick, et. al | 47,000 | 31,000 | (16,000) |
| Health Service System | KPMG Peat Marwick, et. al | 19,000 | 22,100 | 3,100 |
| San Francisco County Transportation Authority | KPMG Peat Marwick, et. al | 3,651 | 4,500 | 849 |
| Laguna Honda | KPMG Peat Marwick, et. al | 44,000 | 32,200 | (11,800) |
| San Francisco Redepelop- ment Agency and Financing Authority | KPMG Peat Marwick, et. al | 40,000 | 46,000 | 6,000 |
| Single Audit | KPMG Peat Marwick, et. al | <u>101,000</u> | <u>125,000</u> | <u>24,000</u> |
| Subtotal | | \$361,651 | \$377,700 | \$16,049 |

*Subject of this proposed resolution

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
June 5, 1991

| <u>Audit</u> | <u>Audit Firm</u> | <u>Amount</u> | | <u>Increase (Decrease)</u> |
|-------------------------------|------------------------------|----------------------------------|------------------------------------|--------------------------------|
| | | <u>FY 1989-90 Actual</u> | <u>FY 1990-91 Proposed</u> | |
| Municipal Railway | Deloitte & Touche, et.al. | \$96,160 | \$93,800 | (\$2,360) |
| Water/Hetch Hetchy | Deloitte & Touche, et.al. | 62,230 | 66,400 | 4,170 |
| Water Department (Special) | Deloitte & Touche, et.al. | <u>101,780</u> | <u>99,800</u> | <u>(1,980)</u> |
| Subtotal | | \$260,170 | \$260,000 | (\$170) |
| Airport | Hood & Strong, et. al. | \$55,500 | \$57,000 | \$1,500 |
| Port | Hood & Strong, et. al. | <u>58,000</u> | <u>56,500</u> | <u>(1,500)</u> |
| Subtotal | | <u>\$113,500</u> | <u>\$113,500</u> | <u>-0-</u> |
| Total | | \$904,321 | \$914,500 | \$10,179 |

As indicated above, the total amount for the 1990-91 audit fees of \$914,500 would result in an increase of \$10,179 or 1.12 percent over \$904,321 in fees charged for the 1989-90 audits.

5. The extent of Minority and Women Business Enterprise (MBE/WBE) participation included in the proposals of the three joint ventures and the hourly rates to be charged for the 1990-91 audits are as follows:

| <u>Joint Venture</u> | <u>Audit</u> | <u>Percent MBE/WBE Participation</u> | <u>Hourly Rates</u> |
|--------------------------------|---|--|-------------------------|
| KPMG Peat Marwick & et. al. | Controller's Books including Internal Controls and Separate Departmental Audits | Goal of a minimum of 35% | \$32 to \$104 |
| Deloitte and Touche et.al. | Municipal Railway Water and Hetch Hetchy | Goal of a minimum of 35% | \$50 to \$165 |
| Hood and Strong, et. al. | Port and Airport | Goal of a minimum of 35% | \$55 to \$160 |

BOARD OF SUPERVISORS
BUDGET ANALYST

6. Mr. Guthrie reports that a Request for Proposal (RFP) for the City's annual audits was issued through the City's Audit Advisory Committee on January 2, 1991. The RFP was issued to 45 firms (see attached). Of the 45 firms that were sent RFP's, six submitted proposals on February 8, 1991. The six firms which submitted proposals were as follows: (1) Deloitte & Touche, (2) Chek F. Tan, CPA, (3) Coopers and Lybrand, (4) Hood & Strong, (5) Arthur Anderson and (6) KPMG Peat Marwick. All six firms that submitted proposals were interviewed by the Audit Advisory Committee on March 6, 1991. A representative of the City's Human Rights Commission audited the interview process and questioned each firm as to its commitment to affirmative action. Based on technical evaluations, proposed fees and issues regarding the South Africa Ordinance, the Audit Advisory Committee, as noted above, recommended contracting with the following three firms for the provision of audit services: (1) Deloitte and Touche, (2) Hood & Strong and (3) KPMG Peat Marwick. As previously noted, pursuant to Charter Section 3.302, the Controller has authority to select and enter into agreements with contractors to perform the departmental audits. As such, the proposed three-year contract agreement with KPMG Peat Marwick in the amount of \$163,300, to provide an audit of the Controller's books, is the only contract agreement which requires Board of Supervisors approval.

7. Peat Marwick, et.al. performed the audit of the Controller's books for FY 1986-87 through FY 1989-90. The City Attorney and the Chief Administrative Officer had previously determined that no "Big Six" firm including KPMG Peat Marwick could comply with the City's South Africa ordinance because those firms participate in an international accounting association which has members in South Africa. This means that they are not South Africa-free. The only other firm to submit a proposal for just the audit of the Controller's books, Deloitte & Touche, is also a participant in an international accounting association which has members in South Africa. Mr. Guthrie advises since both qualified firms were not South Africa-Free and KPMG Peat Marwick had a lower fee rate for the first year of the contract, the Audit Advisory Committee recommended KPMG Peat Marwick. Ms. Julia Ten Eyck of the City Attorney's Office reports that she is not aware of circumstances that would have altered the City Attorney's position that KPMG Peat Marwick is not in compliance with the South Africa ordinance.

Recommendation

Approval of the proposed resolution is a policy matter for the Board of Supervisors.

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ATTN: PAMELA S. EDWARDS

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SAN FRANCISCO, CA 94105
ATTN: CARMIRE GUENO

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50 FREEMONT ST.
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ATTN: HOWARD HOOVER

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NATIONAL & REGIONAL FIRMS

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ATTN: LUCY B. STEPHENSON

IZABAL, BERNACIAK & COMPANY
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ATTN: MICHAEL J. FERGUSON

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SAN FRANCISCO, CA 94019

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CONSOLACION & PARTIBLE CPAS, INC. HARRY H. KIM, CPA
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ATTN: FRANCO CONSOLACION ATTN: JARRY H. KIM

J. B. MIRANDA & ASSOCIATES
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Item 12 - File 97-91-36

Department: Department of Electricity

Item: Ordinance amending the City's Administrative Code by amending Section 16.6-28, to add six organizations to the membership list of the Department of Electricity.

Description: The proposed ordinance would amend Section 16.6-28 of the City's Administrative Code to add six organizations to the membership list of the Department of Electricity.

The Department of Electricity is requesting authorization for memberships in the following six organizations, in order of importance to the Department:

| | Annual Membership Fees |
|--|------------------------------|
| International Communications Association | \$500 |
| Tele-Communications Association | 450 |
| National System 75 Definity Users Group | 75 |
| Definity 85 Users Group | 75 |
| National Centrex Users Group | 100 |
| The Institute of Electrical and Electronics Engineering, Inc. | <u>325</u> |
| Total | \$1,525 |

Comments: 1. At present, the Department belongs to two organizations. The Department reports that they have joined no organizations since 1951. Membership fees for those two organizations total \$533 per year. Mr. Dan McFarland, General Manager of the Department of Electricity, reports that \$2,200 for membership dues has already been included in the Department of Electricity's FY 1990-91 budget. Together, the existing two organizations at a cost of \$533 and the proposed six organizations at an annual cost of \$1,525 total \$2,058 per year. Therefore, no additional funds would be requested. The source of these funds is the City's General Fund.

2. According to Mr. McFarland, the Department of Electricity will be changing its name to the Department of Electricity and Telecommunications. The Department is responsible for the City's telecommunication systems. Since 1985, the City has invested \$35 million in new telecommunication equipment. Mr. McFarland was hired early this year to manage this investment.

BOARD OF SUPERVISORS
BUDGET ANALYST

3. The Budget Analyst notes that the six proposed organizations identified on the prior page are listed in order of importance to the Department, with the International Communications Association being the most important and the Institute of Electrical and Electronics Engineering, Inc. being the least important.

4. Mr. McFarland reports that membership in the International Communications Association and the Telecommunications Association is crucial to the Department in light of recent budget cuts in training and education. The City has spent \$10,000 each year since 1985 to train and educate telecommunications staff in the use of the City's new systems. With membership in ICA and TCA, the Department will have access to similar training and educational opportunities at no cost beyond membership dues. Therefore, membership in these two organizations at a cost of \$950 per year should result in a budgeted savings of \$9,050 to the Department.

According to Mr. McFarland, the City is currently installing 3,500 AT&T Definity System 75 and 85 lines at San Francisco General Hospital at a cost of \$5 million. Membership in the National System 75 Definity Users Group and Definity 85 Users Group will provide information regarding the effective use of these Definity System 75 and 85 lines. Membership in the Definity 75 and Definity 85 Users Groups would also give the Department access to information about these systems and provide opportunities to network with AT&T and other users regarding common problems and solutions.

The National Centrex Users Group would provide the Department with an opportunity to exchange information with vendors and users on how to save costs and better utilize the City's 2,500 Centrex lines, Mr. McFarland maintains. For example, with information on California Public Utilities Commission regulations gained from the Centrex Users Group, the Department will be able to reduce costs by enforcing regulatory reform with its vendors.

Mr. McFarland further reports that the Institute of Electrical and Electronics Engineering, Inc. is a professional organization providing updated standards and information on current technology. Membership in this organization would allow the Department to regulate vendor compliance with new standards, ensuring that the City's telecommunications systems meet State code requirements.

BOARD OF SUPERVISORS
BUDGET ANALYST

5. According to Mr. McFarland, aside from publications which provide a cursory overview of telecommunications systems, the only access to information in the telecommunications field is through membership in these organizations.

6. As previously noted, no additional funds are being requested for fiscal year 1990-91.

Recommendation: Approve the proposed ordinance.

Item 13 - File 100-90-1.15

Note: This item was continued by the Finance Committee at its meeting of May 29, 1991.

Department: District Attorney

Item: Release of Reserved Funds

Amount: \$40,000

Source of Funds: Previously Appropriated General Fund Monies

Grant Period: January 1, 1991 through December 31, 1991

Description: During the budget hearings for FY 1990-91, the Finance Committee recommended that \$40,000 included in the District Attorney's budget request be placed on reserve pending the District Attorney giving consideration to filling any new Attorney positions at the lower level Attorney classification instead of the Department's usual practice of filling such positions at the higher level Trial Attorney classification. According to Ms. Mary King of the District Attorney's Office, the Board of Supervisors had estimated, based on the Department hiring an average of four Attorney's during FY 1990-91, that the Department would realize a savings of approximately \$10,000 per position or a total of \$40,000, by filling these positions at the lower Attorney classification level.

Ms. King reports that, due to a lack of funding, the Department has hired only one new Attorney for the current fiscal year. The Department filled the Attorney position at the higher Trial Attorney classification level, rather than at the lower level Attorney classification as recommended by the Finance Committee, because the Department believed that a Trial Attorney could more adequately perform the necessary job duties of the position. Additionally, Ms. King advises that based on actual expenditures through May 5, 1991, the Department is projecting the following surpluses and deficits in its departmental accounts at the end of the fiscal year.

Account Surpluses

| | |
|---|---------------|
| Permanent Salaries | \$9,101 |
| Permanent Salaries - Reserve (subject of this report) | 40,000 |
| Mandatory Fringe Benefits | <u>37,094</u> |
| Total | \$86,195 |

BOARD OF SUPERVISORS
BUDGET ANALYST

| | |
|--------------------------|---------------|
| <u>Account Deficits</u> | |
| Career Criminal Program | \$22,000 |
| Drug Abatement Project | 15,600 |
| Welfare Fraud Work Order | <u>51,512</u> |
| Total | \$89,112 |

According to Ms. King, all of the above deficits would be charged by Controller's Journal Entry, prior to June 30, 1991, against the surplus balances available in Permanent Salaries and Mandatory Fringe Benefits. The total projected surplus of \$86,195, which includes the \$40,000 placed on reserve, is \$2,917 less than the amount needed to pay for the projected deficit amount of \$89,112. If the \$40,000 is not released from reserve, the projected shortfall would be \$42,917, instead of \$2,917.

Comment: The Finance Committee had requested that the District Attorney give consideration to filling any new Attorney positions at the lower level classification instead of the higher level Trial Attorney classification. As previously noted, the District Attorney has filled one Attorney position at the higher Trial Attorney level. As such, the Budget Analyst believes the proposed release of reserve funds is a policy matter for the Board of Supervisors.

Recommendation: Approval of the proposed release of reserve funds is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
June 5, 1991

Item 14 - File 28-91-8

Note: This item was continued by the Finance Committee at its meeting of May 22, 1991.

Departments: Department of Public Works (DPW)
Juvenile Probation Department

Item: Emergency resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, safety and welfare of citizens of the City and County of San Francisco and the County of San Mateo by performing work to abate fire and sewage hazards at Log Cabin Ranch located in La Honda, California and further authorizing the Juvenile Probation Department to apply for a long-term, low-interest loan from the State Water Resources Control Board.

Amount: \$1,917,100

| | | |
|-------------------------|--|------------------|
| Source of Funds: | Correctional Facility Bond Act of 1986 | \$497,000 |
| | Capital Improvement Appropriation (Juvenile Probation Department) | 334,800 |
| | Loan from the State Water Resources Control Board | <u>1,085,300</u> |
| | Total | \$1,917,100 |

Description: The Juvenile Probation Department reports that State and County Fire Inspectors have determined that the existing fire alarm and sprinkler systems at the Log Cabin Ranch are unreliable and in need of immediate replacement. Additionally, the Department reports that the State Water Resource Control Board has issued a tentative order requiring that the sewage treatment plant at Log Cabin Ranch be brought into compliance with Title 22 of the Public Health Code with regard to waste-water treatment and sewage disposal. Under the tentative order, the Juvenile Probation Department must submit the first progress report to the State, on the improvement of the sewage treatment plant, by May 30, 1991. The second progress report is due by August 30, 1991 and a detailed report showing that the sewage treatment plant is in full compliance is due by November 30, 1991.

Comments: 1. As noted above, the Juvenile Probation Department is proposing to apply for a long-term loan in the amount of \$1,085,300 from the State Water Resources Control Board. It is the Department's intent to pay for the loan through General Fund monies. Mr. Robert Kenealey of the City Attorney's Office, reports that the Juvenile Probation

BOARD OF SUPERVISORS
BUDGET ANALYST

Department's proposal to apply for a long-term loan, which would be paid for by General Fund monies, violates Article XVI, Section 18 of the California Constitution which stipulates that such a loan, paid for by General Fund monies, could only be approved by a two-thirds vote of the City's electorate.

2. Based on the City Attorney's determination regarding the long-term loan, Mr. Fred Jordan, Chief Probation Officer, reports that the Department is requesting that this item be continued to the Call of the Chair, in order to allow the Department additional time to (1) identify an alternative source of funding for this emergency proposal, (2) revise the proposed legislation and (3) obtain Juvenile Probation Commission approval of the revised legislation.

Recommendation: Continue this item to the Call of the Chair as requested by the Juvenile Probation Department.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 15 - File 100-90-1.16

Department: Department of Parking and Traffic

Item: Release of reserve for a 1446 Secretary II position

Amount: \$32,318

Source of Funds: Off-Street Parking Fund

Description: The Board of Supervisors reserved the 1446 Secretary II position in the Department's FY 1990-91 budget until such time when the Department of Parking and Traffic could identify the need for an additional clerical position because of the large number of existing clerical positions within the Department.

The Department of Parking and Traffic is requesting that the 1446 Secretary II position be released from reserve to work in the Residential Permit Parking Program. Beginning in July, 1991, the Department of Parking and Traffic will assume full operational and management responsibilities for the Residential Permit Parking Program. The program is currently administered through the Tax Collector's Office. The 1446 Secretary II would assist in the clerical administration of the program.

Comments: 1. According to Ms. Kathryn Hile of the Department of Parking and Traffic, the Department of Parking and Traffic has requested \$92,973 for the proposed 1446 Secretary II position which is on reserve, and for two additional Secretary II positions to be funded through the Off-Street Parking Fund for Fiscal Year 1991-92. These three positions have been requested in the Fiscal Year 1991-92 budget.

2. Ms. Hile indicates that the 1446 Secretary II position could not be filled until after June 30, 1991. Ms. Hile indicates that the proposed release of reserve would only enable the Department to issue the requisition to initiate the hiring process before June 30, 1991. Given that the Department of Parking and Traffic reports that the position could not be filled until after June 30, 1991, and given that the Department has also requested the 1446 Secretary II position in Fiscal Year 1991-92 budget, the Budget Analyst recommends that this position be reviewed in respect to the entire needs of the Department of Parking and Traffic during the Board of Supervisors Fiscal Year 1991-92 budget review and that the requested \$32,318 continue to be reserved.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
June 5, 1991

3. The Controller's Office reports that any of the \$32,318 which has been placed on reserve for the 1446 Secretary II position and is not expended during Fiscal Year 1990-91 would revert back to the Off-Street Parking Fund.

Recommendation: Disapprove this request to release the \$32,318 on reserve.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 16 - File 97-91-37

Department: Police Department

Item: Ordinance amending the San Francisco Administrative Code by adding Section 10.117-109 thereto, to establish the Vehicle Theft Crimes Fund.

Description: Under the California Vehicle Code, Section 9250.14 (SB 2139 passed in 1990), the Police Department is eligible to receive funds from a \$1.00 surcharge imposed on motor vehicle registrations with a San Francisco address. Such revenues would be collected by the State Department of Motor Vehicles (DMV). After deduction of DMV administration expenses, the DMV would pay the surcharge revenues to the State Controller on a quarterly basis. The State Controller would then disburse these revenues to the County based on the number of motor vehicle registrations.

The proposed ordinance would add Section 10.117-109 to the San Francisco Administrative Code to establish a special Vehicle Theft Crimes Fund. Revenues from the surcharge on motor vehicle registrations would be deposited in the Vehicle Theft Crimes Fund.

Monies deposited in the Vehicle Theft Crimes Fund would be used exclusively for deterring, investigating, and prosecuting vehicle theft crimes. The State Vehicle Code also provides that vehicle registration surcharge revenues cannot be used to substitute for reductions in any other sources of funds.

The State Vehicle Code provisions will remain in effect until January 1, 1996, at which time, the law "sunsets." After January 1, 1996, the City would have to return any monies remaining in the Vehicle Theft Crimes Fund to the State Controller for deposit in the Motor Vehicle account in the State Transportation Fund.

Comments: 1. According to Lieutenant Gerald Crowley of the Police Department, the DMV estimates that 464,143 vehicles are registered annually in San Francisco County. Therefore, assuming a \$1.00 surcharge, the potential annual revenues to the Vehicle Theft Crimes Fund would be \$464,143 less any DMV administrative costs.

2. The Police Department presently investigates vehicle theft cases only where a suspect has been arrested. According to Mr. Crowley, if the Police Department were to receive additional funding through the surcharge revenues from the proposed Vehicle Theft Crimes Fund, Police Department staff could begin inspecting vehicles at private businesses where vehicle parts are bought and sold, provide training and community awareness, and increase theft case follow-up and enforcement.

3. Section 9250.14 of the State Vehicle Code also specifies that the DMV shall collect the \$1.00 surcharge after adoption of a resolution by the Board of Supervisors authorizing the surcharge. According to Mr. Burk Delventhal of the City Attorney's Office, a resolution authorizing the imposition of a surcharge by DMV has not been introduced and approved by the Board of Supervisors. A separate resolution will be prepared by the Police Department. Since the establishment of a Special Vehicle Theft Crimes Fund would be contingent on the authorization to collect the \$1.00 surcharge on vehicle registrations, the Budget Analyst recommends that the proposed ordinance be continued pending the submittal of a resolution authorizing the collection of the \$1.00 surcharge by the State DMV.

Recommendation: Continue the proposed ordinance pending the submittal of a resolution authorizing the collection of the \$1.00 surcharge by the State DMV.

Item 17 - File 156-91-2

Note: This item was continued by the Finance Committee at its meeting of May 22, 1991.

Agency: Private Industry Council of San Francisco, Inc. (PIC)

Item: Resolution approving an expenditure plan for Refugee Employment Social Services and Refugee Targeted Assistance Funds to be administered by the PIC.

At the May 15, 1991 Finance Committee, the PIC submitted an amendment of the whole, which specifies the amount of \$310,605 requested for approval and authorizes the PIC to sign, enter into, and execute the State contract for the funds.

Grant Amount: \$310,605

Local Match: None

Grant Term: January 1, 1991 through September 30, 1993

Source of Funds: Federal Refugee Employment Social Services funds disbursed by the State Department of Social Services (State DSS).

Description: The Private Industry Council, a non-profit organization, administers two sets of refugee funds on behalf of the City. These funds originate from the Federal Office of Refugee Resettlement and are allocated to the City through the State Department of Social Services. The Refugee Employment Social Services funds (RESS) and Refugee Targeted Assistance Program (RTAP) Title VII funds are used to provide employment and training services to refugees who are receiving public assistance.

In March of 1991, the Board of Supervisors approved a resolution approving a revised Refugee County Plan for San Francisco. Based on that County Plan, the PIC issued a request for proposals for organizations interested in providing employment training and placement as well as supportive services to San Francisco refugees receiving cash assistance. The PIC specifically requested proposals for a Central Intake Point (CIP) service to provide assessment, certification, referral and tracking of refugee participants and a proposal for provision of childcare services. The proposed resolution would approve an expenditure plan, totalling \$940,730, which includes the proposed contractors selected through the RFP process.

In previous years, the PIC has administered the RESS and RTAP funds separately. For the 1991 Federal Fiscal Year, the State DSS is allowing the PIC to administer the RESS and RTAP funds as a combined grant program. The proposed expenditure plan provides for expenditure of \$940,730 in RESS and RTAP funds, of which the proposed resolution would also approve the acceptance and expenditure of a first allocation consisting of RESS funds in the amount of \$310,605. The State DSS will allocate the remaining \$630,125 of RESS and RTAP funds at a later date.

The PIC has furnished the following plan for expenditure of the RESS and RTAP funds:

| | <u>Contract Function</u> | <u>First Allocation (This Resolution)</u> | <u>Total Budget</u> |
|---|---|---|-------------------------|
| <u>Sources:</u> | | | |
| 1991 RESS funds | | \$310,605 | \$532,000 |
| Estimated 1991 RTAP funds | | | 388,554 |
| Reallocation of 1988 RTAP funds | | _____ | <u>20,176</u> |
| Total Refugee funding | | \$310,605 | \$940,730 |
| <u>Proposed expenditures:</u> | | | |
| PIC Administration | | \$40,379 | \$141,110 |
| Contractual Services: | | | |
| International Rescue Committee | Case Management and CIP | 45,175 | 128,661 |
| Third Baptist Church | Employment Services | 8,115 | 23,113 |
| Mutual Assistance Coordination Council | Vocational English as Second Language, and Employment Services (VESL, ES) | 17,556 | 50,000 |
| Jewish Vocational Services | ES, Vocational Training (VT) | 61,094 | 174,000 |
| Center for Southeast Asian Refugee Resettlement | EUN* | 0 | 30,000 |
| Refugee Employment Assistance Program- Catholic Charities | ES, VT, VESL | 72,629 | 206,853 |
| Children's Council of San Francisco | Childcare services | 14,045 | 40,000 |
| Transportation and Ancillary services† | | 5,967 | 16,993 |
| Conciliation Services to be provided by San Francisco DSS | | 10,533 | 30,000 |
| On-the-Job-Training Set-aside | | <u>35,112</u> | <u>100,000</u> |
| Total | | \$310,605 | \$940,730 |

*Extreme and Unusual Needs may be provided for special identified populations like at-risk youth or other refugees not on cash-assistance.

†Ancillary services includes books, clothings, tools or fees needed for a training assignment.

BOARD OF SUPERVISORS
BUDGET ANALYST

The State DSS allows the PIC to budget up to 15 percent of the total grant for administrative purposes. PIC has allocated a total of \$141,110 (\$40,379 in the first allocation) to administer the grant funds from the total budget of \$940,730. Mr. Greg Marutani, Administrative Services Manager for the PIC advises that the administrative funds would be allocated as follows:

| | |
|---|--------------|
| Staff salaries and fringe benefits | \$105,832 |
| PIC administrative overhead (19% of total) | 26,811 |
| Direct charges consisting of printing and reproduction, computer costs, travel, materials and supplies, and audit costs | <u>8,467</u> |
| Total Administrative costs | \$141,110 |

The proposed expenditure plan includes \$16,993 for transportation and ancillary services (\$5,967 in the first allocation). These funds would be used by the contractor responsible for CIP and case management to provide transportation assistance (MUNI fast passes or transit tokens) to employment programs and other ancillary services, as needed by refugee clients.

According to Mr. Marutani, San Francisco Department of Social Services (DSS) would be allocated \$30,000 (\$10,533 in the first allocation) for cause determination/ conciliation hearings services. Presently, all DSS refugee assistance clients must enter these refugee employment and training programs provided by the PIC. If a client does not attend the program, the service contractors report to DSS the client's non-attendance. DSS conducts cause determination/ conciliation hearings to determine why a client has not participated in an employment and training program.

The PIC has also budgeted \$100,000 (\$35,112 in the first allocation) as a set-aside for On-the-Job-Training (OJT). These OJT funds are used to reimburse employers for extraordinary costs required to train program clients. Employers, who agree to employ clients placed by the various service contractors, must submit invoices detailing the training costs to the PIC.

Comment:

1. The PIC has submitted a Summary of Grant Request for the first allocation of RESS funds (See attachment).

BOARD OF SUPERVISORS
BUDGET ANALYST

2. As noted above, the State DSS allows the PIC to recover the administrative costs of overseeing these grant funds. According to Ms. Eunice Elton, President of the PIC, the grant term began on January 1, 1991, and will end on September 30, 1993. The PIC does not intend to begin contractual services until June 1, 1991. However, the PIC has already provided administrative services on the 1991 grant allocation from January 1, 1991. Therefore, the proposed resolution should be amended to allow PIC to retroactively expend the grant funds from January 1, 1991.

3. Ms. Eunice Elton of the PIC reports that a meeting was held on May 20, 1991 to discuss the proposed item with the Refugee Committee Chairman, three PIC staffmembers, Supervisor Gonzalez, the Legislative Policy Analyst and three representatives from the Mayor's Office. According to Ms. Elton, after considerable discussion at this meeting and subsequent discussion with members of the PIC, if this matter were reconsidered by the PIC a second time, the PIC believes that the same recommendations that are currently before the Finance Committee would be approved. Ms. Elton therefore requests that the Finance Committee or the full Board of Supervisors approve the proposed recommendations or develop the necessary modifications to the proposed allocations, as appropriate.

4. Ms. Elton advises that there are specific State and Federal requirements for the proposed Federal Refugee Employment Social Services funds that are disbursed by the State Department of Social Services. According to Ms. Elton, the currently proposed allocation is in compliance with these requirements.

5. The State DSS requires the Board of Supervisors to approve, by resolution, the acceptance and expenditure of the allocations of RESS and RTAP funds totalling \$940,730. As previously noted, the proposed resolution would approve the acceptance and expenditure of the first allocation of \$310,605. The State will allocate the remaining \$630,125 in separate allocations at later dates. As the State allocates these funds, the PIC will submit corresponding resolutions for Board of Supervisors approval.

6. Ms. Elton reports that Mr. Rob Rubin, Refugee Specialist for the Lawyers Committee for Urban Affairs advises that recent court cases have not qualified Central Americans for refugee status. Ms. Elton advises that a letter from the State Department of Social Services states that the new safe haven status of Central American refugees, such as the Salvadoran refugees, does not qualify them for Federal cash assistance.

BOARD OF SUPERVISORS
BUDGET ANALYST

7. Ms. Elton reports the PIC members were mailed a summary regarding the status of the Board of Supervisors consideration of the expenditure plan for the Refugee Employment Social Services and Refugee Targeted Assistance Funds. Ms. Elton reports that the Council members showed no apparent interest in reconvening to reconsider the PIC's recommendations. As noted in Comment 3 above, the PIC believes that the same recommendations that are currently before the Finance Committee would be approved. Ms. Elton further advises that the PIC intended to begin contractual services on June 1, 1991. Further delay will cause the nonprofit agencies to receive the RESS and RTAP funding late.

Recommendations: Amend the proposed resolution to allow the PIC to retroactively expend the grant funds as of January 1, 1991.

Approval of the proposed amendment of the whole is a policy decision for the Board of Supervisors.

SUMMARY OF GRANT REQUEST

File No.: 156-91-2 (RESS)

Grantor: Refugee Immigration Program Branch/DSS Agency: Private Industry Council of San Francisco, Inc.
 Contact Person: Mike White Section: N/A
 Address: 744 'P' Street Contact Person: Greg Marutani/Guillermo Casillas
 Sacramento, CA 95814 Telephone: 621-6853
 Amount Requested: \$310,605 Application Deadline: N/A
 Term: From: January 1, 1991 to: September 30, 1993 Notification Expected: N/A
 Board of Supervisors: Finance Committee -
 Full Board -

- I. Item Description: Request to accept and expend a new allocation grant in the amount of \$310,605 from the period of January 1, 1991 to September 30, 1993 to provide employment and training services.
- II. Summary:
 To provide employment and training services to refugees receiving public assistance.
- III. Outcomes/Objectives:
 Training of refugees that leads to employment.
- IV. Effects of Reduction or Termination of These Funds:
 Reduce services for refugees and increase the financial burden for the City and County of San Francisco.

| V. Financial Information: | Column A | Column B | Column C |
|---------------------------|----------|-----------------|-----------------|
| | Initial | Proposed | Total Grant |
| Subcontract Services: | N/A | \$270,226 | \$270,226 |
| PIC Administration: | N/A | <u>\$40,379</u> | <u>\$40,379</u> |
| Total: | N/A | \$310,605 | \$310,605 |

VI. Data Processing: N/A

VII. Personnel: N/A
 FT/CSC N/A
 PT/CSC N/A

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
 N/A

Will grant funded employees be retained after this grant terminates? If so, how?
 N/A

VIII. Contractual Services: Open Bid XX Sole Source _____

Item 18 - File 28-91-9

Department: Department of Public Health (DPH)
Laguna Honda Hospital

Item: Emergency Resolution. Section 6.30 of the Administrative Code states that approval by the Board of Supervisors is to be obtained for emergency expenditures in excess of \$25,000.

Amount: \$215,000

Source of Funds: Unexpended funds from the Laguna Honda Hospital 1990-91 budget

Description: The Public Health Commission has determined the existence of numerous mechanical conditions at Laguna Honda Hospital that require emergency asbestos abatement work. The CAL-OSHA Office has issued several serious verbal violation citations mandating abatement of several asbestos containing areas of the hospital. The emergency funds requested to correct these conditions are broken down into the following three components:

| | |
|---|------------------|
| 1. Emergency asbestos abatement work completed to date involving six mechanical emergencies | \$80,000 |
| 2. Emergency asbestos abatement work in process or yet to be performed involving five areas | 105,000 |
| 3. Contingency for similar mechanical system failures | <u>30,000</u> |
| | <u>\$215,000</u> |

Comments: 1. Mr. Larry Funk of DPH, Laguna Honda Hospital reports that CAL-OSHA has issued the serious verbal violation citations because the Hospital has known for approximately five years that there is asbestos debris in the tunnel areas below the hospital and has not corrected the problem. A citations document is forthcoming from CAL-OSHA which will provide a complete description of the infractions and specific code violations.

Once the written citation is received, the City has 30 days to prepare a written Plan of Correction, to abate all the citations and to respond to the information memorandum. The Hospital will be subject to follow-up inspections once the 30-day compliance period has expired. Criminal charges could

BOARD OF SUPERVISORS
BUDGET ANALYST

be filed against the City if the City does not comply with the compliance requirements. However, the citations could be appealed or a variance could be requested from the local OSHA Office, if the Hospital wishes to do so. Currently, the City has no intention of appealing or filing for a variance with the local OSHA office.

2. As a result of this emergency, the DPH used an expedited contracting procedure, as permitted under Section 6.30 of the Administrative Code. Under such authority, competitive bidding procedures need not be utilized. Consequently, Excel Environmental and Asbestos Management Group were awarded contracts to perform the work without going through a competitive bidding process. Neither company is MBE/LBE certified.

3. The proposed resolution includes \$30,000 for a contingency for similar mechanical system failures. Since it is unknown if such future repair work resulting from these type of failures will be necessary, an emergency procedure for the \$30,000 contingency to perform such repair work should not be utilized at this time. Future work, if necessary, should be awarded through a formalized competitive bidding process, rather than using the proposed emergency procedure. If emergency repair work through outside contractors does become necessary in the future, the DPH should submit, at that time, a separate emergency resolution for the costs of those repairs. Additionally, actual cost to perform the asbestos abatement work to date, involving six mechanical emergencies, as indicated above was \$76,635 not \$80,000 (a difference of \$3,365).

Recommendation: Amend the proposed emergency resolution by reducing the estimated cost of the work by \$33,365 (\$30,000 + \$3,365) from \$215,000 to \$181,635. As previously noted, this amendment would eliminate the contingency and adjust the proposed resolution by the actual costs of the emergency repair work accomplished through outside contracts. Approve the proposed resolution as amended.

Item 19 - File 64-91-13

Department: Department of Public Health
Emergency Medical Services Agency

Item: Resolution authorizing a new lease of real property.

Location: 1540 Market Street

Purpose of Lease: Emergency Medical Services Agency of the Department of Public Health

Lessor: 1540 Market Street Investment Company

No. of Sq. Ft.: 2,356 square feet

Monthly Cost : \$1.083 per sq. ft. per month, or \$2,552.33 per month

Annual Cost: \$30,628

Term of Lease: From May 15, 1991 or upon satisfactory completion of certain required alterations by Lessor through October 31, 1995

Right of Renewal: No option to extend

**Utilities/Janitor
Provided by Lessor:** Yes

Source of Funds: Emergency Medical Services Fund

Comments:

1. The Emergency Medical Services Agency is responsible for overseeing all providers of emergency medical assistance in San Francisco. Among the functions of the Agency are: accreditation and maintenance of records of all Paramedics, Emergency Medical Technicians and Mobile Intensive Care Nurses practicing with the City; establishing and enforcing policies and treatment protocols; performing Quality Assurance Review of all emergency care provided within the City; acting as liaison with regional, State and Federal regulatory, legislative and coordinating agencies; and creating and implementing the medical portion of the City's disaster preparedness policies and plans.
2. The Emergency Medical Services Agency employs nine full time and three part time staff. Two additional positions are being requested in the following two items (Items 20 and 21, Files 101-90-109 and 102-90-20) and requested in the 1991-92 budget.

3. The Agency currently occupies less than 1,000 square feet, including supply storage, file space, utility/janitorial space, walkways/passages, and one restroom. There is no meeting/training room at the present location. Ms. Claudine Venegas of the Real Estate Department reports that the Emergency Medical Services Agency is currently located at the Department of Public Health's City-owned building, and therefore incurs no costs for rent.

4. According to Mr. Philip McDown of the Emergency Medical Services Agency, relocating to 1540 Market Street will provide the required space for operations and will allow easy access to the Department of Public Health's main building at 101 Grove Street. EMS' existing space at 101 Grove consists of 814 usable square feet, excluding storage areas. Mr. McDown reports that two desk spaces for the three part-time staff are needed, bringing the total number of needed desk spaces to 11. Thus, based on the current 814 square feet and the 11 needed desk spaces, the current space provides an average of 74 square feet per person. The proposed space at 1540 Market Street at 1,657 usable square feet (excluding storage and conference areas) divided by 11 desk spaces provides an average of 151 square feet per person, or approximately twice as much space as currently provided. Ms. Venegas reports that the space at 101 Grove has no conference area, and the proposed space at 1540 Market Street has conference areas of approximately 300 square feet.

5. According to Ms. Venegas, 1540 Market Street will be ready for occupancy upon completion by the lessor of certain required alterations such as painting, laying carpets, and building partitions. The owner will bear the cost of these alterations. The projected completion date is between July 15, and August 1, 1991.

6. As previously noted, the Emergency Services Agency currently incurs no costs for rent. The proposed lease would result in an annual rental cost of \$30,628, to be paid by the Emergency Medical Services Fund which imposes an additional \$1 on traffic fines. The Real Estate Department reports that the proposed rent for 1540 Market Street reflects fair market value.

Recommendation: Approval of the proposed resolution is a policy decision for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Items 20 and 21 - Files 101-90-109 and 102-90-20

Department: Department of Public Health (DPH),
Emergency Medical Services (EMS) Agency

Item: Supplemental Appropriation Ordinance (File 101-90-109), for the creation of one position and for permanent salaries, temporary salaries, related fringe benefits, other contractual services, travel, telephone, materials and supplies, rental of property, equipment purchase, data processing equipment purchase, equipment lease/purchase and services of other department and placing \$46,599 on reserve pending EIPSC approval.

Annual Salary Ordinance Amendment for 1990-91 (File 102-90-20) reflecting the addition of one permanent position.

Amount: \$83,898

Source of Funds: Appropriation of Emergency Medical Services (EMS) Fund monies (Parking Traffic Fines). State SB12 established that Counties could impose a one dollar assessment on traffic fines to be deposited to an Emergency Medical Services Fund.

Description: The proposed amendment to the FY 1990-91 Annual Salary Ordinance (File 102-90-20) would add one permanent 2533 Emergency Medical Services Agency Specialist position. Ms. Abbie Yant of the DPH, EMS reports that this position would be responsible for coordinating disaster preparedness activities for EMS. The proposed amendment to the Annual Salary Ordinance which will be reviewed by the Civil Service Commission at a future date, is as follows:

| | | | | 1990-91 | 1990-91 |
|---------------|------------|---|--|----------------------|------------------------|
| | | | | Biweekly | Annual |
| <u>Action</u> | <u>No.</u> | <u>Class/Title</u> | | <u>Salary</u> | <u>Salary</u> |
| Add | 1 | 2533 Emergency Medical Services Agency Specialist | | \$1,765 - \$2,145 | \$46,066 - \$55,985 |

The proposed supplemental appropriation request would appropriate \$4,865 for Permanent Salaries and \$1,271 for Fringe Benefits to fund a new 2533 Emergency Medical Services Agency Specialist position for the period May 27, 1991 to June 30, 1991. Additionally, the proposed supplemental appropriation would appropriate \$28,975 for costs associated with EMS relocating to new office space, \$42,734 for computer equipment, \$4,595 for travel costs and \$1,458 for Temporary Salaries.

BOARD OF SUPERVISORS
BUDGET ANALYST

EMS is currently located at the Department of Public Health's main building located on Polk and Ivy Streets, and shares space with four other City agencies. EMS is proposing to relocate to new office space at 1540 Market Street, because of the following reasons:

1. The EMS staff has increased from four full-time employees and one part-time employee to nine full-time employees and three part-time employees. In addition to the increased staff, nine committees now meet at EMS on a regular basis, which adds to the overcrowded conditions. These committees are composed of various advisory committees and include a research committee, a clinical committee, a steering committee and the Emergency Medical Care Committee along with its sub-committees.
2. The Tom Waddell Clinic, one of the agencies sharing space with EMS, is expanding. Renovation plans for the Clinic include expansion into one office and store room space currently occupied by EMS.

The proposed supplemental appropriation request for the \$28,975 for costs associated with EMS relocating to new office space, is detailed below:

| | |
|--|--------------|
| Furniture Moving | \$2,570 |
| Telephone (\$3,521 - installation costs and \$1,504 - monthly costs) | 5,025 |
| Rent | 5,105 |
| Minor Office equipment (i.e., lamps, tables, printer stand, computer work stations) | 9,310 |
| Equipment (10 lateral files @ \$386.50 each) | 3,865 |
| Services of Other Departments (Real Estate) | <u>3,100</u> |
| | \$28,975 |

As noted above, the proposed legislation would place \$46,599 on reserve pending Electronic Information Steering Committee (EIPSC) approval. DPH reports that since the proposed legislation was drafted, the proposed purchase of data processing equipment in the total amount of \$42,734 has been approved by the EIPSC. As such, these funds no longer need to be placed on reserve and the proposed ordinance should be amended. An amount of \$3,865 which is earmarked for the purchase of lateral files, not data processing equipment, was erroneously included in the \$46,599 originally designated to be placed on reserve. EMS reports that this data processing equipment will permit the Agency to (1) increase its ability to adopt to changing

BOARD OF SUPERVISORS
BUDGET ANALYST

business and regulatory requirements, (2) better monitor EMS system standards related to quality control, unusual occurrences and clinical indicators, (3) improve its ability to support research and studies, (4) meet data analysis and reporting commitments on a timely basis and (5) enhance intra-departmental communication and coordination. EMS would expend the \$42,734 for data processing equipment as follows:

| | |
|------------------------|--------------|
| Compac PC (5) | \$20,502 |
| Laser Printer (1) | 1,609 |
| Optical Scanner | 8,500 |
| PC Installation | 1,000 |
| Miscellaneous Hardware | 5,973 |
| Software | <u>5,150</u> |
| Total | \$42,734 |

EMS's proposed supplemental appropriation request includes an amount of \$4,595 for travel costs. EMS now reports that a supplemental appropriation amount of \$1,574 instead of \$4,595 is required to pay for travel costs for the balance of FY 1990-91. The Agency currently has a total of \$1,001 budgeted for travel. The proposed supplemental appropriation amount of \$1,574 would bring the total amount available for travel to \$2,575. The Agency advises that the proposed \$1,574 would replace a portion of the funds deleted from its travel account by the Board of Supervisors during the FY 1990-91 budget process. EMS will expend \$2,575 on travel as follows:

| | |
|--|------------|
| National Association EMS | |
| Physicians - Orlando Florida (one staff) | \$1,250 |
| State EMS Administrators/MD's Meetings | |
| (2) - Palm Springs and San Diego (two staff) | 1,200* |
| Computer Conference (one staff) | <u>125</u> |
| Total | \$2,575 |

*Staff persons have already attended this conference.

EMS's proposed supplemental appropriation request of \$1,458 for Temporary Salaries would be used to fund a part-time Clerk position, which would be responsible for assisting with clerical tasks associated with administering the EMS Fund.

Comments:

1. Dr. James Pointer of the EMS Agency reports that EMS has responsibility for the provision of disaster related medical services. Dr. Pointer advises that, following the

BOARD OF SUPERVISORS
BUDGET ANALYST

October 1989 earthquake, the level of community concern regarding disaster preparedness has risen significantly. In response to this concern, EMS has increased its efforts to coordinate disaster preparedness activities including the provision of two disaster preparedness drills annually. These drills require the coordinated efforts of local hospitals, the private sector, public agencies and voluntary medical and health organizations and agencies. Dr. Pointer advises that an existing In-Hospital Coordinator (EMS Specialist) has been performing the duties of coordinating the EMS disaster preparedness activities on a limited basis. However, according to Dr. Pointer, the performance of these activities has interfered with the In-Hospital Coordinator's ability to complete the regularly assigned duties. Dr. Pointer reports that the next disaster preparedness drill is scheduled for October of 1991 and, as such, there is a need to fill the new Emergency Medical Services Agency Specialist position immediately in order to provide sufficient time for the adequate planning and coordination of this activity. Dr. Pointer advises that should the Board of Supervisors approve the proposed ordinance, the Agency intends to fill the Emergency Medical Services Agency Specialist on June 18, 1991. Dr. Pointer adds that the part-time Clerk position would also be filled on June 18, 1991.

2. While the Budget Analyst acknowledges there may be justification for the creation of the new Emergency Medical Services Agency Specialist position, the Budget Analyst believes that this position, which is included in the EMS's 1991-92 budget request, should be considered during the forthcoming budget review process along with all other City and County Departmental requests for new positions in order that the Board of Supervisors can adequately determine its City-wide priorities. Therefore, the Budget Analyst recommends that this position not be approved at this time. Additionally, the Budget Analyst believes that EMS has not provided sufficient justification for the part-time Clerk position. Therefore, the Budget Analyst recommends that funding not be approved for this position.

3. Negotiations have been completed on the lease agreement for EMS and legislation requesting the Board of Supervisors authorization to enter into the lease is included in this report (Item 19, File 64-91-13). According to Ms. Claudine Venegas, of the Real Estate Department, the 1540 Market Street office space will be ready for occupancy upon completion of certain required alterations. These alterations are projected to be completed between July 15 and August 1, 1991. Ms. Venegas advises that, the owners

BOARD OF SUPERVISORS
BUDGET ANALYST

of the property have been seeking assurance that the City will commit to the lease agreement. As such, according to Ms. Venegas, if the proposed ordinance is not approved by the Board of Supervisors, the lease agreement may be jeopardized.

4. Since EMS will be unable to relocate, due to alterations, until July 15, 1991, at the earliest, the Budget Analyst recommends that \$1,504 of the total \$5,025 requested for telephone costs (monthly charges) and \$5,105 for rent, not be approved at this time. These costs are budgeted in the Agency's 1991-92 budget.

5. During the 1990-91 budget process, the Board of Supervisors approved a 71.56 percent reduction in travel accounts funded with General Fund revenues City-wide. Therefore, approval of the proposed supplemental appropriation in the amount of \$1,574 for travel is a policy decision for the Board of Supervisors. Since these travel funds were the subject of previous budgetary denial, a two-thirds vote of the members of the Board of Supervisors would be required for approval.

Recommendations:

1. Do not approve the proposed Annual Salary Ordinance amendment (File 102-90-20) establishing one new permanent position.

2. Amend the proposed Supplemental Appropriation Ordinance (File 101-90-109) to delete the provision to place \$46,599 on reserve and to reduce the supplemental appropriation amount by \$14,203, as follows: (1) \$4,865 for a Emergency Medical Services Agency Specialist (Permanent Salaries), (2) \$1,458 for one part-time Clerk (Temporary Salaries), (3) \$1,271 for related Fringe Benefits, (4) \$1,504 for telephone costs (monthly charges) and (5) \$5,105 for rent.

3. Approval of the proposed supplemental appropriation of \$1,574 for travel, is a policy matter for the Board of Supervisors. Since this was the subject of previous budgetary denial, a two-thirds vote of the members of the Board of Supervisors would be required for approval.

4. If the Board of Supervisors approves the proposed new lease (Item 19 - File 64-91-13) approve the remaining supplemental appropriation for moving, telephone costs, equipment costs and services of other departments; If the Board does not approve the new lease, amend the proposed supplemental appropriation to reduce by \$2,570 for furniture moving, \$3,521 for telephone and \$1,933 for equipment and approve as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 22 - File 127-91-7

1. This item is an ordinance amending Part III of the San Francisco Municipal Code (Revenue and Finance), by amending Sections 35, 248, 249.1, 249.7, 249.8 and 249.14, relating to license food establishments, swimming pools, private ambulances and cross connection control devices and testers.

2. The proposed legislation would amend the Municipal Code (Revenue and Finance) by amending Sections 35, 248, 249.1, 249.7, 249.8 and 249.14, as follows:

- 1) Section 35 outlines the provisions under which fees are paid to the Department of Public Health (DPH) in connection with the Department's inspection of food product and marketing establishments and food preparation and service establishments as a condition of the issuance of a first permit or first license. The proposed legislation would amend Section 35 to provide that when DPH is required to review plans or blueprints as a part of the application for a permit, a fee of \$58 per hour will be charged to the applicant for this service. The proposed legislation stipulates that this fee must be paid to DPH prior to the Department approving the application for the permit.

The DPH reports that the Department receives and reviews hundreds of building permit blueprints for food facilities annually. The Department has historically performed this service at no cost to the applicant. The DPH advises that the proposed fee of \$58 per hour would bring the DPH in line with cost recovery procedures adopted by other health agencies in surrounding jurisdictions. The DPH estimates that the \$58 fee will generate additional annual revenues of approximately \$240,468, based on an estimated 4,145 hours of review per year. The Department's estimated annual cost to provide these services is \$256,661. A fee in the amount of \$62 per hour would be required in order for the Department to recover its costs (\$62 x 4,145 hours).

- 2) Section 248 outlines the specific license fees to be charged to food product and marketing establishments. Fees are based on inventory of food, at cost basis, in stock as of the first day of April and are payable in advance on an annual basis to the Tax Collector. Under the current legislation, Class A food product and marketing establishments (i.e., grocery stores and supermarkets) represent establishments having an inventory of \$300 or more and Class B food product and marketing establishments (i.e., pharmacies and variety stores) represent establishments having an inventory under \$300. Under the proposed amendment, Class A establishments would represent establishments having an inventory of \$900 or more and Class B establishments would represent establishments having an inventory under \$900. The annual fee charged to Class A food product and marketing establishments would be increased by \$20 from \$306 to \$326, a 6.5 percent increase. The current annual fee of \$46 charged to Class B food product and market establishments would remain the same.

BOARD OF SUPERVISORS
BUDGET ANALYST

The DPH reports that this fee increase of \$20 represents the first fee adjustment since 1988. The DPH advises that this increase will allow the Department to recover a larger portion of its costs of implementing this Health and Safety Code mandated inspection program. Total annual revenue currently generated by these fees is \$419,220 for FY 1990-91. The DPH estimates that the fee increase of \$20 will generate additional annual revenue of approximately \$27,000, for a projected total annual revenue of \$446,220. The Department's estimated cost to provide these services for 1990-91 is \$446,284.

- 3) Section 249.1 outlines specific permit fees to be charged to food preparation and service establishments. These fees are paid on an annual basis to the Tax Collector. Currently, the annual permit fee for all food preparation and services establishments, with the exception of boarding houses, stadiums, arenas or auditoriums is \$465. The proposed amendment would increase this fee by \$23 from \$465 to \$488, a 4.9 percent increase.

The DPH reports that this fee increase of \$23 represents the first fee adjustment since 1988 and will allow the Department to recover a larger portion of its costs of implementing this Health and Safety Code mandated inspection program. Total annual revenue currently generated by these food preparation and service establishment permit fees is \$2,093,430 for FY 1990-91. The DPH estimates that the fee increase of \$23 will generate additional annual revenue of approximately \$121,554, for approximately 4,539 permits for a projected total annual revenue of \$2,214,984. The Department's estimated cost to provide these services for 1990-91 is \$2,239,759. A fee in the amount of \$494 would be required for the Department to totally recover its costs (4,539 permits x \$494).

- 4) Section 249.7 currently provides that swimming pool operators that requiring a permit from the DPH to operate a swimming pool on a year round basis, must pay an annual license fee of \$181. The proposed amendment would (a) increase the annual license fee by \$52 from \$181 to \$233, a 28.7 percent increase and (b) stipulate that swimming pool operators that require a permit from the DPH to operate less than six months per year must pay an annual license fee of \$200 per year.

The DPH reports that the current \$181 annual fee charged to swimming pool operators for operating a swimming pool on a year round basis was established in 1978. Currently, no fee is charged for less than six months. The DPH advises that the above-noted revisions in the swimming pool fee schedule, will enable the Department to recover a larger portion of its costs for the permit process and inspection of the swimming pools as required by the Health and Safety Code. Current annual fees collected total \$24,797. The DPH estimates that the revenues in swimming pool fees will generate additional annual revenues of approximately \$15,363 for approximately 137

BOARD OF SUPERVISORS
BUDGET ANALYST

swimming pool permits for year-round swimming pool permits, for a projected total annual revenue of \$40,160. The Department's estimated cost to provide these services for 1990-91 is \$62,563. If no new fee were to be charged for pools operated for less than six months a fee of \$457 would be necessary in order to fully recover the Department's costs (137 permits x \$457).

- 5) Section 249.8 currently provides that private ambulance operators that require a permit from the DPH, are required to pay the Tax Collector an annual license fee of \$30 for each vehicle. The proposed amendment would increase the annual license fee by \$112 from \$30 to \$142 or over 373 percent.

The DPH reports that the current \$30 fee per vehicle charged to ambulance operators has not been adjusted since 1978, which has resulted in a shortfall of revenues for annual inspections and permit services provided by the Department. The DPH advises that the proposed increase of \$112 will allow the Department to recover a larger portion of its costs. Current annual fees collected total approximately \$1,350. The DPH estimates that the fee increase of \$112 will generate additional annual revenues of approximately \$5,040, for a projected total annual revenue of \$6,390 for approximately 45 permits. The Department's estimated cost to provide these services for 1990-91 is \$10,427. A fee in the amount of \$232 would be required for the Department to totally recover its costs (45 permits x \$232).

- 6) Section 249.14 provides that any person who is not a City employee and and who is engaged in testing backflow prevention devices or cross-connection control devices (plumbing devices that prevent contaminated water from mixing with pure water) for which a certificate is required from the DPH, must pay fees to the Tax Collector prior to the certificate being issued. The proposed amendment would make the following changes in the fee schedule:

- a) Initial application for certification would be increased by \$109 from \$50 to \$159, a 218 percent increase.
- b) Examination for certification would be increased by \$50 from \$25 to \$75, a 200 percent increase.
- c) Seals or tags would be increased by \$3 from \$2 each to \$5 each, a 150 percent increase.
- d) Annual license fee and recertification fee would be increased by \$50 from \$25 to \$75, a 200 percent increase.

The DPH reports that the above-noted fee increases will enable the Department to recover a larger portion of its costs. Current annual revenues generated from these fees total \$8,192. The DPH estimates that the proposed increases in these fees will generate additional

BOARD OF SUPERVISORS
BUDGET ANALYST

annual revenues of approximately \$27,208, for a total of \$35,400. The Department's estimated cost to provide these services for 1990-91 is \$108,443. In order to fully recover the Department's operating costs these fees would have to be increased approximately thirteen-fold because the total cost of \$108,443 is approximately 13 times the current \$8,192 revenues generated ($\$108,443 \div \$8,192 = 13.24$).

Comment

Mr. Jack Breslin of the DPH reports that the above noted fees do not fully cover the entire costs to provide the services because they represent a compromise worked out in conjunction with the Mayor's Office which takes into consideration the need to not raise the fees to a level that would be prohibitive with respect to the public's ability to pay.

Recommendation

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 23 - File 146-91-41

Department: Department of Public Health (DPH),
Bureau of Toxics, Health and Safety Services

Item: Resolution authorizing the DPH to accept and expend a new State grant, including indirect costs of \$36,055 based on 20 percent of personnel costs for oversight cleanup activities at leaking underground storage tank sites and to establish and finance Civil Service positions.

Grant Amount: \$318,750

Source of Grant: State Water Resources Control Board,
Division of Clean Water Programs

Term of Grant: July 1, 1991 through June 30, 1992

Project: Local Oversight Program

Description: On March 25, 1991, the Board of Supervisors authorized the Department of Health to apply for the proposed grant (File 146-91-24). The proposed grant would fund a Local Oversight Program in San Francisco which would allow DPH to oversee cleanup activities at leaking underground storage tank sites. Currently, the San Francisco Regional Water Quality Control Board (RWQCB) is responsible for the oversight of San Francisco's leaking underground storage tanks. However, the RWQCB has an inadequate number of staff to handle the number of sites in the City currently estimated at 400. The proposed Local Oversight Program would provide DPH with the authority to oversee cleanup activities and would authorize State reimbursement for DPH staff time spent on site specific activities.

**Proposed
Project Budget:**

| <u>Personnel</u> | <u>FTE</u> | <u>Budget</u> |
|--|------------|---------------|
| Staff Assistant VII | 1.0 | \$50,589 |
| Senior Environmental Health Inspector | 1.0 | 60,034 |
| Secretary I | 1.0 | 22,533 |
| Fringe Benefits | | <u>34,100</u> |
| Subtotal | 3.0 | \$167,256 |

BOARD OF SUPERVISORS
BUDGET ANALYST

| | | |
|--|------------|---------------|
| <u>Operating Expenses</u> | | |
| Travel (mileage) | \$2,467 | |
| Training | 1,785 | |
| Telephone, 3 installations | 2,000 | |
| Postage | 500 | |
| Office supplies | 1,500 | |
| Safety Equipment | 840 | |
| Rent (450 sq. ft. @ \$1.50 sq. ft. a month) | 8,100 | |
| Equipment (water level indicator and cameras) | 6,202 | |
| Office Equipment | 584 | |
| Furniture & furnishings | 2,675 | |
| Computer lease (1 computer, 1 printer) | 4,800 | |
| Medical surveillance of field employees | <u>600</u> | |
| Subtotal | | \$32,053 |
| Indirect Costs | | <u>26,631</u> |
| Total | | \$225,940 |

Indirect Cost Rate: \$26,631 or 20 percent of salaries

Local Match: None

- Comments:
1. The DPH has not received Electronic Information Processing Steering Committee (EIPSC) approval for the proposed lease of the computer and printer and the three telephones. As such, the Budget Analyst recommends that the \$4,800 budgeted for the lease of the computer and printer and the \$2,000 budgeted for the three telephones, for a total of \$6,800, be placed on reserve pending EIPSC approval.
 2. The DPH anticipates that State grant funding for the proposed Local Oversight Program will be continued in the future. However, DPH advises that if grant funding is terminated or reduced in the future, project staff would be terminated or reduced accordingly.
 3. The DPH reports that the actual amount of the grant awarded by the State is \$225,940. However, the proposed resolution authorizes the DPH to accept and expend \$318,750 in State monies. As such, the proposed resolution should be amended to authorize the DPH to accept and expend \$225,940. In addition, the DPH has budgeted \$26,631 for indirect costs instead of \$36,055 as reflected in the proposed resolution. Therefore, the resolution should be amended to read \$26,631 instead of \$36,055 in indirect costs.

BOARD OF SUPERVISORS
BUDGET ANALYST

4. Attached is the Health Commission's "Summary of Grant Request" as prepared by the DPH for the proposed grant.

Recommendations: Amend the proposed resolution to 1) to authorize the DPH to accept and expend \$225,940, 2) to list \$26,631 as the amount budgeted for indirect costs, and 3) reserve the \$4,800 budgeted for the lease of the computer and printer and the \$2,000 budgeted for telephones pending EIPSC approval. Approve the proposed resolution as amended.

Item No. Health Commission - Summary of Grant Request

Rev. 4/10/90

Grantor State Water Resources Control Board Division Toxics, Health & Safety Services
 Contact Person Sandra L. Malos Section Hazardous Materials Permit Program
 Address 2014 "T" Street, Suite 130 Contact Person Leslie Lum
Sacramento, CA 94244-2120 Telephone 554-2757
 Amount Requested \$ 318,750 Application Deadline 6/1/91
 Term: From 7/1/91 To 6/30/92 Notification Expected 7/1/91
 Health Commission Board of Supervisors: Finance Committee 3/20/91
 Full Board 3/25/91

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a)
 (Circle appropriate words) grant in the amount of \$ 225,940 from the period of 7/1/91 to 6/30/92
 to provide for the authority to oversee cleanup activities at services.
leaking underground storage tank sites.

II. Summary: (Context/history; need addressed; number + groups served; services and providers)

The State Water Resources Control Board is providing to the DPH, BTHSS funding to assume the lead agency role for the oversight of cleanup activities at leaking tank sites within the City and County of San Francisco. Currently, the authority belongs to the Regional Water Quality Control Board; however, the number of staff at RWQCB available to implement the program has been inadequate to address the increasing caseloads, which is approximately 400 sites.

III. Outcomes/Objectives:

Cleanup of contaminated sites is critical for the health, safety, and welfare of citizens San Francisco as it relates to the impact to soil and groundwater. Equally important is the need to ensure impacted property owners including City and County of San Francisco realize the full value of their real estate holdings.

IV. Effects of Reduction or Termination of These Funds:

Lead agency authority would revert back to the Regional Board where cleanup activities by responsible parties are self-directed/self-motivated. Project staff at the local level would be terminated accordingly.

V. Financial Information:

| | <u>Col. A</u> | <u>Col. B</u> | <u>Col. C</u> | <u>Col. D</u> | <u>Req. Match</u> | <u>Approved by</u> |
|------------------|----------------------|------------------------|-----------------|---------------|-------------------|--------------------|
| | <u>Two Years Ago</u> | <u>Past Year/Orig.</u> | <u>Proposed</u> | <u>Change</u> | | |
| Grant Amount | <u>N/A</u> | <u>N/A</u> | <u>225,940</u> | <u>N/A</u> | <u>N/A</u> | |
| Personnel | | | <u>167,256</u> | | | |
| Equipment | | | <u>17,101</u> | | | |
| Contract Svc. | | | <u>N/A</u> | | | |
| Mat. & Supp. | | | <u>2,000</u> | | | |
| Facilities/Space | | | <u>8,100</u> | | | |
| Other | | | <u>4,852</u> | | | |
| Indirect Costs | | | <u>26,631</u> | | | |

VI. Data Processing

(core included above) N/A N/A N/A N/A N/A

VII. Personnel

| | | | | |
|-------------|------------|------------|----------------------------|------------|
| F/T CSC | <u>N/A</u> | <u>N/A</u> | <u>3.0 FTE (New Hires)</u> | <u>N/A</u> |
| P/T CSC | | | | |
| Contractual | | | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Item 24 - File 146-91-42

Department: Department of Public Health (DPH),
Community Substance Abuse Services (CSAS)

Item: Resolution authorizing the Department of Public Health to
apply for a new Federal grant

Grant Amount: \$9,979,190

Source of Grant: U.S. Department of Health and Human Services through the
State of California, Department of Alcohol and Drug
Programs

Grant Period: September 1, 1991 to August 31, 1995

Project: The proposed four-year grant would be used to enhance and
expand drug treatment services to adolescents, between the
ages of 10 and 18, who have committed offenses or crimes, or
are at risk for doing so. Project goals would include (1)
improve treatment outcomes for the client population and (2)
reduce the incidence of criminal behavior and interaction
with the juvenile justice system for the client population. The
DPH would be responsible for administering and monitoring
the grant funds. The Department would subcontract with
community-based organizations for the provision of services
to clients.

**Number of Persons
to be Served:** Unknown, as of the writing of this report

Required Match: None

Indirect Costs: 12 percent of City personnel costs
2 percent of contract costs

Comments: 1. As of the writing of this report, the DPH was unable to
provide budget details for the application of these Federal
grant funds. However, the DPH reports that a detailed
budget for expenditure of these Federal grant funds will be
made available when DPH submits its request to the Board of
Supervisors to accept and expend these grant funds.

2. The DPH advises that in the event this Federal grant is
terminated, any grant funded positions that were created
would also be terminated unless alternative grant funding
could be identified.

3. The proposed legislation does not include language on indirect costs. Therefore, the proposed legislation should be amended to add language stating that indirect costs representing 12 percent of City personnel costs plus 2 percent of contract costs will be included in the proposed grant budget.

4. The DPH is unable to provide a detailed program description for the proposed grant application, as of the writing of this report. Given the scope of the program, which would cover a four-year period, and the amount of grant funds, which totals approximately \$10 million, approval of this proposed resolution to authorize DPH to apply for the proposed Federal grant is a policy matter for the Board of Supervisors.

5. Attached is the Health Commission's "Summary of Grant Request" as prepared by DPH for the proposed grant funds.

Recommendations: 1. Amend the proposed legislation to state that indirect costs representing 12 percent of City personnel costs plus 2 percent of contract costs will be included in the proposed grant budget.

2. Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item No. _____ Health Commission - Summary of Grant Request

Rev. 4/10/90

Grantor: USDHHS/Office of Treatment Improvement thru
State Dept. Alcohol & Drug Programs
Contact Person: N/A
Address: 1700 K Street
 Sacramento, CA 95814
Amount Requested: \$ 9,979,190 / 4 yrs.
Term: From 9/1/91 To 8/31/95
Health Commission: _____

Division: Mental Health, Substance Abuse and Forensic
 Services
Section: Community Substance Abuse Services
Contact Person: Wayne Clark, Ph.D.
Telephone: 255-3500
Application Deadline: 6/17/91
Notification Expected: 8/91
Board of Supervisors: Finance Committee _____
 Full Board _____

I. Item Description: Request to apply for a new grant in the amount of \$9,979,190 from the period of 9/1/91 to 8/31/95 to enhance and expand drug treatment services to adolescents who have committed offenses or crimes, or are at risk for doing so.

II. Summary:

The U.S. Dept. of Health and Human Services, Office of Treatment Improvement has issued a Request-for-Applications (RFA) to all state governments to enhance and expand drug treatment services to adolescents (between ages 10 and 18) who have committed offenses or crimes, or are at risk for doing so. There are two goals for this grant: "1) improve treatment outcomes for the target population; and 2) reduce the incidence of criminal behavior and interaction with the juvenile justice system for the target population."

III. Outcomes/Objectives:

The objective is to reduce drug abuse among adolescents and incidence of criminal behavior and interaction with the juvenile justice system.

IV. Effects of Reduction or Termination of These Funds:

Contractors will reduce levels of service proportionate to loss of funds at the end of the project term.

V. Financial Information:

| | Col. A | Col. B | Col. C | Col. D | Req. Match | Approved by |
|------------------|---------------|----------------|-----------|--------|------------|-------------|
| | Two Years Ago | Past Yr./Orig. | Proposed | Change | | |
| Grant Amount | N/A | N/A | 9,979,190 | N/A | N/A | N/A |
| Personnel | | | * | | | |
| Equipment | | | * | | | |
| Contract Svc. | | | ** | | | |
| Mat. & Supp. | | | * | | | |
| Facilities/Space | | | 0 | | | |
| Other | | | 0 | | | |
| Indirect Costs | | | 0 | | | |

VI. Data Processing

| | | | | | | |
|------------------------|--|--|---|--|--|--|
| (costs included above) | | | 0 | | | |
|------------------------|--|--|---|--|--|--|

VII. Personnel

| | | | | | | |
|-------------|--|--|----|--|--|--|
| F/T CSC | | | * | | | |
| P/T CSC | | | * | | | |
| Contractual | | | ** | | | |

*Personnel, equipment, materials/supplies for the Civil Service staffed Juvenile Probation Dept. is unknown at this time. Amounts will be provided when permission is requested to accept and expend funds.

**Amount for proposed contractors is unknown at this time.

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Not applicable; part-time and full-time positions, if any, will be hired and funded 100% with grant funds.

Will grant funded employees be retained after this grant terminates? If so, How?

No; City employees hired, if any, will be classified as "Temporary Civil Service" with employment terminating unless found eligible to retain employment through another grant. No general funds will be used.

***VIII. Contractual Services: Open Bid _____ Sole Source ☒ (if sole source, attach Request for Exemption Form)**

Request for sole source awards will be attached at a later date to the request to accept and expend funds.

Item 25 - File 146-91-43

Department: Department of Public Health (DPH), Homeless Program

Item: Resolution authorizing the DPH, to accept and expend as subgrantee, with the San Francisco Community Clinic Consortium as prime grantee, a continuation augmentation grant for primary health care and substance abuse services and to authorize the expenditure of grant funds to establish and finance Civil Service positions for the provision of these services.

Grant Amount: \$193,808

Grant Period: January 1, 1991 through April 30, 1991

Source of Funds: Federal Public Health Services, McKinney Homeless Assistance Grant

Project: Health Care for the Homeless

Description: The Board of Supervisors authorized the DPH to accept and expend a grant in the amount of \$591,807 (File No. 146-89-68) on January 30, 1990. The grant amount was later reduced by the Federal Public Health Services to \$581,424. The proposed grant augmentation of \$193,808, for a total of \$775,232, would provide access to cost-effective case managed and integrated primary care services and substance abuse services provided by existing community-based clinics. In 1987, the DPH joined with the San Francisco Community Clinic Consortium to establish a more comprehensive health care network for the homeless with funds provided by the Stewart B. McKinney Homeless Assistance Amendments Act of 1988.

The proposed grant funds would continue to provide a multidisciplinary program encompassing medical, social services, mental health case management/therapy and outreach services. The proposed grant funds would continue to provide services at the Tom Waddell Clinic, the Larkin Street Youth Center Medical Clinic and also at clinics in seven shelters in the Central City area.

No. of Persons Served: Approximately 4,000 health, mental health, substance abuse, case management and outreach contacts with clients.

BOARD OF SUPERVISORS
BUDGET ANALYST

Project Budget:

| | | <u>Original Budget</u> | | <u>Augmentation Budget</u> | <u>Total Budget</u> |
|-----------------------------|------------|----------------------------|------------|--------------------------------|-------------------------|
| <u>Personnel</u> | <u>FTE</u> | | <u>FTE</u> | | |
| Nurse Practitioner | 3.50 | \$185,913 | 1.17 | \$61,971 | \$247,884 |
| Sr. Med. Social Worker | 1.00 | 49,140 | .33 | 16,380 | 65,520 |
| Med. Social Worker | 2.00 | 73,528 | .66 | 24,509 | 98,037 |
| Clinical Psychologist | .20 | 9,542 | .07 | 3,181 | 12,723 |
| Subtotal Personnel | 6.70 | \$318,123 | 2.23 | \$106,041 | \$424,164 |
| Fringe Benefits | | 92,255 | | 30,752 | 123,007 |
| Total Personnel | | \$410,378 | | \$136,793 | \$547,171 |
| <u>Contractual Services</u> | | | | | |
| Team Coordinator | 1.00 | \$31,247 | .33 | \$10,416 | \$41,663 |
| Case Mgr./Therapist | 2.00 | 53,434 | .66 | 17,811 | 71,245 |
| Psychiatrist | .35 | 28,794 | .12 | 9,598 | 38,392 |
| Subtotal Contractual | | | | | |
| Services | 3.35 | \$113,475 | 1.11 | \$37,825 | \$151,300 |
| Fringe Benefits | | 22,695 | | 7,565 | 30,260 |
| Indirect Costs | | 10,894 | | 3,631 | 14,525 |
| Total Contractual | | | | | |
| Services | | \$147,064 | | \$49,021 | \$196,085 |
| <u>Operations</u> | | | | | |
| Travel | | \$ 650 | | \$ 217 | \$ 867 |
| Other | | 19,832 | | 6,610 | 26,442 |
| Telephones | | 2,000 | | 667 | 2,667 |
| Beeper | | 1,500 | | 500 | 2,000 |
| Total Operations | | \$23,982 | | \$7,994 | \$31,976 |
| Total Budget | | \$581,424 | | \$193,808 | \$775,232 |

Indirect Costs: The San Francisco Community Clinic Consortium, acting as prime grantee for the grant, has prohibited indirect costs for all subgrantee programs.

Local Match: \$96,904 or 50 percent of the proposed augmentation, which has been included in the DPH's FY 1990-91 budget, funded through the General Fund (See Comment #7).

Comments: 1. According to Mr. Fred Milligan of DPH, all of the grant-funded Civil Service positions are existing positions within the DPH. Mr. Milligan reports that if the proposed grant funds are reduced or terminated, then the grant-funded positions would be similarly reduced or terminated.

2. Mr. Milligan indicates that the Contractual Services would be provided by Bayview Hunter's Point Foundation for the provision of mental health services. Bayview Hunter's Point Foundation provided services under the original grant.

BOARD OF SUPERVISORS
BUDGET ANALYST

Bayview Hunter's Point Foundation is a non-profit organization.

3. The \$6,610 budgeted for "other" would be for the purchase of medical supplies for the seven shelter clinics.

4. Mr. Milligan reports that although the San Francisco Community Clinic Consortium prohibits indirect costs on all subgrantees, the Consortium did not prohibit indirect costs for Contractual Services because the contract with the Bayview Hunters Point Foundation was an existing contract, which had previously included eight percent of personnel and fringe benefits for indirect costs as part of the overall contract. Mr. Milligan indicates that the Consortium did not want to disrupt services by requiring the DPH to initiate a bidding process with a new contractor or by requiring the DPH to renegotiate the contract. Thus, there is \$3,361 budgeted for Contractor indirect costs.

5. Mr. Milligan reports that the DPH did not have to apply for the proposed grant. Therefore, the DPH did not request permission from the Board of Supervisors to apply for the proposed augmentation.

6. As noted, the grant period for the proposed grant is January 1, 1991 through April 30, 1991. Mr. Milligan indicates that the proposed grant augmentation does not have to be amended to authorize the DPH to accept and expend the proposed grant retroactively because the DPH has not yet received the grant funds, but rather would be reimbursed for services provided from January 1, 1991 through April 30, 1991. Ms. Nini Leigh of the DPH's Accounting Office reports that the proposed augmentation would reimburse the General Fund for the services provided during the grant period. The Budget Analyst notes that since the DPH was expending General Fund money to continue providing these grant funded services, the Controller should be directed to set aside \$193,808 of General Fund monies that should be available after the DPH receives the proposed grant funds. This additional \$193,808 should be returned to the General Fund.

7. Ms. Leigh reports that DPH budgeted for the local match through June 30, 1991 because DPH was notified that there would be additional Federal Public Health Services funding available through June 30, 1991. The period from May 1, 1991 through June 30, 1991 would be funded through another Federal grant. Mr. Milligan reports that the DPH has not yet requested permission from the Board of Supervisors to accept and expend the Federal grant which would cover the grant

BOARD OF SUPERVISORS
BUDGET ANALYST

period beginning on May 1, 1991, but the DPH will request such permission in the coming weeks.

8. Attached is the "Summary of Grant Request" as prepared by the DPH.

- Recommendations:**
1. Request that the Controller direct that \$193,808 from the reimbursement of this grant be returned to the General Fund.
 2. Approve the proposed resolution.

Item No. _____ Health Commission - Summary of Grant Request

Rev. 4/10/90

Grantor SF Community Clinic Consortium
 Contact Person Carroll Johnson
 Address 1748 Market Street
San Francisco, CA 94102

Division CPHS
 Section Homeless Programs
 Contact Person Fred Milligan
 Telephone 554-2673

Amount Requested \$ 193,808.00
 Term: From 1/1/91 To 4/30/91

Application Deadline _____
 Notification Expected _____

Health Commission _____ Board of Supervisors: Finance Committee _____
 Full Board _____

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (extension) (augmentation to a) grant in the amount of \$193,808 from the period of 1/1/91 to 4/30/91 to provide health care and substance abuse services.
 (Circle appropriate words)

II. Summary: (Concise summary; need addressed; number of groups served; services and providers)

Request to accept and expend funds as sub-grantee in collaboration with San Francisco Community Clinic Consortium as prime grantee, a continuation augmentation to a grant for \$193,808 for the provision of health services and substance abuse services to homeless individuals in San Francisco.

III. Outcomes/Objectives:

4000 health, mental health, substance abuse, case management and outreach encounters.

IV. Effects of Reduction or Termination of These Funds:

Denial of health services to homeless persons results in expensive emergency room and hospital inpatient utilization.

V. Financial Information:

1/1-12/31/90 1/1/91-4/30/91

| | Col. A 12 months Two Years Ago | Col. B 12 months Fiscal Year/Orig. | Col. C 4 months Proposed | Col. D 4 months Change | Rec. Match | Approved by |
|------------------|--------------------------------------|--|--------------------------------|------------------------------|------------|-------------|
| Grant Amount | | 581,424 | 193,808 | - | | |
| Personnel | | 410,378 | 136,793 | - | | |
| Equipment | | | | | | |
| Contract Svc. | | 147,064 | 49,021 | - | | |
| Mat. & Supp. | | 19,832 | 6,611 | - | | |
| Facilities/Space | | | | | | |
| Other | | 4,150 | 1,383 | - | | |
| Indirect Costs | | | | | | |

VI. Data Processing

(omit excluded items)

VII. Personnel

| | Col. A 12 months Two Years Ago | Col. B 12 months Fiscal Year/Orig. | Col. C 4 months Proposed | Col. D 4 months Change | Rec. Match | Approved by |
|-------------|--------------------------------------|--|--------------------------------|------------------------------|------------|-------------|
| F/T CSC | | 4 | 4 | | | |
| P/T CSC | | 5 | 5 | | | |
| Contractual | | 4 | 4 | | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Will grant funded employees be retained after this grant terminates? If so, How?

VIII. Contractual Services: Open Bid X Sole Source _____ (Use this section, attach Request for Estimate Form)

Item 26 - File 146-91-44

Department: Department of Public Health (DPH)
Community Substance Abuse Services (CSAS)

Item: Resolution to apply for a new Federal grant

Grant Amount: \$2,547,878 over four years. Initially starting at \$600,000 with four percent increases each year.

Source of Grant: U.S. Department of Health and Human Services, Office of Treatment Improvement through the State Department of Alcohol and Drug Programs.

Grant Period: September 1, 1991 through August 31, 1995

Project: The "Recovery and Intervention in Drug-Free Housing: A Family Approach" program was developed to provide culturally relevant and sensitive drug treatment programs to help reduce substance use and abuse among residents of the Hunter's View and Valencia Gardens public housing projects.

The program will establish in the Hunter's View project a drug and alcohol free environment zone. Additionally, a broad based day treatment services program will be developed and implemented. The Valencia Gardens project will have a drop-in treatment services program established for residents. If this program is successful, it will be expanded into other San Francisco housing projects and will also serve as a model for other cities and counties.

The proposed project would be a cooperative effort between CSAS, the San Francisco Housing Authority (SFHA), the Bayview Hunters Point Foundation, the Haight Ashbury Free Clinic and the two housing projects. The role of these agencies are as follows:

- 1) CSAS will act as the lead agency in this project. CSAS will contract with the two direct service providers, the Bayview Hunter's Point Foundation and the Haight Ashbury Free Medical Clinic, to provide substance abuse treatment services to residents of the two public housing projects.
- 2) The SFHA is an equal partner with CSAS in the project and will oversee all those activities relating to the housing projects themselves (site renovation, tenant relocation, etc.).
- 3) Bayview Hunter's Point Foundation is an independent, private, non-profit organization and will provide substance

BOARD OF SUPERVISORS
BUDGET ANALYST

abuse treatment services and referral to residents of the Hunter's View Housing Project. This will be done in the drug and alcohol-free living environment established in the project.

4) Haight Ashbury Free Clinic, Inc., is also a private non-profit organization, and will, through its Black Extended Family Program, provide drop-in treatment services to residents of the Valencia Gardens Housing Project.

**No. of Persons
to be Served:**

Approximately 1,574 people who live in the Hunter's View Housing Project and Valencia Gardens Housing Project.

Required Match:

None

Indirect Costs:

None. The State does not allow indirect cost for this type of grant. However, CSAS will apply for indirect costs if the proposed resolution is adopted.

Comments:

1. As of the writing of this report, the DPH was unable to provide budget details for the application of these Federal grant funds. However, the DPH reports that a detailed budget for expenditure of these Federal grant funds will be made available when DPH submits its request to the Board of Supervisors to accept and expend these grant funds.

2. Since DPH indicates that the Department will apply for indirect costs, and the Board of Supervisors recently approved legislation requiring that all grant resolutions include language regarding indirect costs, the Budget Analyst recommends that the proposed resolution to apply for a new Federal grant be amended to state that DPH will request indirect costs be included.

Recommendation:

Amend the proposed resolution to state that DPH will request indirect costs as part of the new Federal grant and approve the resolution as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 27 - File 146-91-45

Department: Department of Public Health (DPH)
Community Public Health Services
Special Programs for Youth

Item: Resolution authorizing DPH to apply for a grant of \$400,000 from the Centers for Disease Control for an "Epidemiologic Study of HIV Infection in Adolescents and Young Adults."

Grant Amount: \$400,000

Grant Period: August 1, 1991 through July 31, 1992

Source of Funds: Centers for Disease Control (CDC)

Project: Epidemiologic Study of HIV Infection in Adolescents and Young Adults

Description: The proposed grant would fund a cooperative agreement with CDC to study epidemiological issues concerning risks of transmissions, the natural history and transmission of HIV in adolescents and young adults and the development of behavioral recommendations for reducing HIV infection.

The research will help identify risk factors associated with the disease. Results will serve as a basis for developing preventive strategies to diminish the spread of the AIDS epidemic.

No. of Persons Served: 1,000 research subjects over 5 years
Research results will benefit unquantified at-risk adolescents and young adults

Program Budget: Epidemiological Study of HIV Infections in Adolescents and Young Adults

| <u>Personnel</u> | <u>FTE</u> | |
|--------------------|------------|---------------|
| Mgmt. Asst. | .50 | \$20,070 |
| Counselor | 1.00 | 33,144 |
| Proj. Coordinator | 1.00 | 40,320 |
| Registered Nurse | 1.00 | 48,205 |
| Data Entry Clerk | .50 | 10,588 |
| (11 mos) | | |
| Statistician | .50 | 18,568 |
| (11 mos) | | |
| Subtotal Personnel | | \$170,895 |
| Fringe Benefits | | <u>46,142</u> |
| Total Personnel | 4.50 | \$217,037 |

BOARD OF SUPERVISORS
BUDGET ANALYST

| | | |
|---|--------------|---------------|
| Equipment – Computers and Software | | \$9,500 |
| Contract Services | | |
| Youth Advocates | \$10,000 | |
| Larkin Street Youth Center (Training and Space) | 20,000 | |
| UCSF Adolescent Medicine | | |
| Research Psychologist, .15 FTE | 14,579 | |
| UCSF Family Medicine | | |
| Research Psychologist, .15 FTE | 19,148 | |
| Medical Doctor | <u>8,897</u> | |
| Total Contract Services | | 72,624 |
| Materials and Supplies | | 4,000 |
| Facilities/Space | | 18,000 |
| Other | | |
| Telephone | 1,000 | |
| Incentives to Research Subjects (560 participants @ \$10 each) | 5,600 | |
| Travel | 4,500 | |
| Laboratory Tests/Materials | | |
| (HIVp24 Antigen 100 @ \$95 each) | 9,500 | |
| (T cell subsets 50 @ \$175 each) | 8,750 | |
| (Condoms; Condom Keychains) | 1,750 | |
| Misc. (furniture, postage, forms, reproductions, subscriptions, books) | <u>4,332</u> | |
| Total Other | | 35,432 |
| Indirect Costs | | <u>43,407</u> |
| Total Budget | | \$400,000 |

Required Match: None

Indirect Costs: 43,407, or 20% of the \$217,037 total personnel costs, including fringe benefits.

Comments: 1. Personnel costs include salary standardization for 1991-92. If salary standardization for FY 1991-92 is not approved, these additional funds would be redirected to increase the number of research subjects that would receive incentives for participating in the proposed project.

BOARD OF SUPERVISORS
BUDGET ANALYST

2. The Centers for Disease Control will work cooperatively with the Department of Public Health in that the CDC will consult with the DPH on an on-going basis regarding the design, methodology, implementation, and evaluation of this project. For most grants, the CDC assumes a monitoring role only.

3. According to Dr. Janet Schalwitz of the Department of Public Health, the proposed project would consist of three components. The first component would consist of a five-year analysis to interview, examine and test 1,000 young people to look at issues and factors, such as depression, family history, drug use, and sexuality, which may help determine HIV status. The second component would consist of following 50 HIV infected young people over a period of five years to observe the progress of AIDS. The third component would consist of following 50 high risk young people to determine the rate at which they become infected and to determine the factors contributing to their infection.

4. This grant request for \$400,000 covers one year of a five year project. The 1,000 individual research subjects will benefit from the study in that they will have access to DPH's health care facilities and project-specific educational and medical information.

5. Contracts for this project are sole source. According to Dr. Schalwitz, the two part-time Research Psychologists and one part-time Medical Doctor from the University of California at San Francisco have been involved in the program design. They are needed both for consistency and for their individual skills and experience. According to Dr. Schalwitz, Larkin Street Youth Center is the only site that does training of outreach workers in San Francisco. The Department of Public Health has clinics located at Youth Advocates and Larkin Street Youth Center, which would increase response rates and make the project more convenient for staff and participants.

6. Travel costs would include \$4,000 for the Project Director, Project Coordinator, and one other staff person to attend and present research at either an out-of-State, international or national AIDS conference. The \$500 additional travel costs include local travel for field staff, for a total of \$4,500.

BOARD OF SUPERVISORS
BUDGET ANALYST

7. The Department of Public Health advises that if grant funding is terminated or reduced in the future, project staff would be terminated or reduced accordingly. The proposed grant funds would provide an additional 4.5 staff to the Department.

8. Dr. Shalwitz reports that the DPH submitted its request for permission to apply for this grant on May 7, 1991. The application deadline is May 31, 1991. Therefore, the proposed resolution should be amended to authorize the DPH to apply for the proposed grant retroactively.

9. Attached is the "Summary of Grant Request" as prepared by the Department of Public Health. The "Summary of Grant Request" budget has been updated. The DPH's current budget is reflected above.

Recommendation: Amend the proposed resolution to authorize the DPH to retroactively apply for the proposed grant. Approve the proposed resolution as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item No. _____ Health Commission - Summary of Grant Request

Rev. 4/10/90

Grantor Centers for Disease Control
 Contact Person Gordon R. Clapp
 Address 255 East Paces Ferry Rd., NE, Rm. 300
Atlanta, Georgia 30305

Division Community Public Health Services
 Section Special Programs for Youth
 Contact Person Janet Shalwitz, MD
 Telephone 753-7780
 Application Deadline 5/31/91
 Notification Expected 6/30/91

Amount Requested \$ 400,000
 Term: From 8/1/91 To 7/31/92

Health Commission _____ Board of Supervisors: Finance Committee _____
 Full Board _____

I. Item Description: Request to apply for (accept and expend) a new (continuation) (allocation) (augmentation to a) grant in the amount of \$ 400,000. On the period of 8/1/91 to 7/31/92 to provide _____ services.

II. Summary: (Concise summary; need addressed; number & groups served; services and providers)

Cooperative agreement with CDC to study important HIV-related epidemiological issues concerning risks of transmissions, the natural history and transmission of HIV in adolescents and young adults and the development of behavioral recommendations for reducing AIDS and HIV infection. A cohort of approximately 200 individuals will be followed to analyze the progression of the disease in the San Francisco high-risk youth population.

III. Outcomes/Objectives:

The research will help us identify the several risk factors associated with the disease; the results will serve as the basis to develop preventive strategies which can eliminate (or significantly diminish) the propagation of the epidemic.

IV. Effects of Reduction or Termination of These Funds:

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Year/Orig. | Col. C Proposed | Col. D Change | Req. Match | Approved by |
|------------------|-------------------------|---------------------------|--------------------|------------------|------------|-------------|
| Grant Amount | | | \$400,000 | | | |
| Personnel | | | 217,037 | | | |
| Equipment | | | 9,500 | | | |
| Contract Svc. | | | 72,624 | | | |
| Mat. & Supp. | | | 4,000 | | | |
| Facilities/Space | | | 18,000 | | | |
| Other | | | 29,300 | | | |
| Indirect Costs | | | 43,407 | | | |

VI. Data Processing

(none included above)

VII. Personnel

| | | | | | |
|-------------|--|--|--|--|--|
| F/T CSC | | | | | |
| P/T CSC | | | | | |
| Contractual | | | | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Will grant funded employees be retained after this grant terminates? If so, How?

*VI I. Contractual Services: Open Bid _____ Sole Source X _____ (If sole source, attach Request for Proposals Form)

Item 28 - File 94-91-2

Note: This item was continued by the Finance Committee at its meeting of May 29, 1991.

Department: Public Utilities Commission (PUC),
Hetch Hetchy Water and Power

Item: Resolution authorizing the Public Utilities Commission to apply for an energy conservation loan from the California Energy Commission for up to \$1.3 million for the purpose of making energy efficiency improvements in the Hall of Justice and the New Sheriff's Facility.

Amount: \$1,300,000

Source of Funds: California Energy Commission Energy Conservation (CEC) Loan Program

Description: The PUC's Hetch Hetchy Water and Power Department proposes to apply for a \$1.3 million energy conservation loan from the California Energy Commission to fund the acquisition of energy efficient lighting, and Heating, Ventilation and Air Conditioning (HVAC) equipment for the Hall of Justice and the New Sheriff's Facility. When completed, the New Sheriff's Facility will house new intake/booking/release, work furlough, and medical facilities.

The new equipment would include:

New Sheriff's Facility:

| | |
|--|--------------|
| 6 two-speed ventilation fans | \$34,682 |
| 6 variable speed air-supply fans | 42,000 |
| Energy efficient lighting | 18,000 |
| Skylights | <u>7,950</u> |
| Subtotal, equipment for New Sheriff's Facility | \$102,632 |

Hall of Justice:

| | |
|--|--------------------|
| New water chillers for air conditioning system | \$687,142 |
| Improved HVAC controls | 374,249 |
| Contingency | <u>135,977</u> |
| Subtotal, Hall of Justice equipment | <u>\$1,197,368</u> |
| Total new equipment | \$1,300,000 |

BOARD OF SUPERVISORS
BUDGET ANALYST

June 5, 1991

Comments:

1. The PUC's Bureau of Energy Conservation (BEC) reports that the existing water chillers for the air conditioning system at the Hall of Justice are 31 years old, with a designed useful life of 25 years. According to the Department of Public Works, the Hall of Justice water chillers are nearing the point of failure. Original plans called for the replacement of the existing water chillers with larger units to accommodate the Hall of Justice and the additional ventilation requirements of the New Sheriff's Facility. However, insufficient budgeted construction funds precluded the full replacement of the water chillers and forced the New Sheriff's Facility to be designed with a smaller, separate water chiller. According to the BEC, replacement of the existing water chillers with new, more efficient equipment would avoid future repair and replacement costs and save approximately \$43,000, annually, from reduced energy consumption. The new equipment would also provide sufficient heating and air conditioning to service both the Hall of Justice and the New Sheriff's Facility, thus eliminating the need to install a separate chiller in the New Sheriff's Facility.
2. The California Energy Commission would provide the loan at an interest rate of 8.25 percent to be paid back over a term of ten years. Mr. Terry O'Sullivan of the BEC advises that the annual payment on the loan is expected to be approximately \$217,000.
3. The BEC estimates that the City would accrue energy savings of approximately \$230,000 per year. Including the total cost of the loan, the Budget Analyst estimates that installation of the energy saving equipment would produce a net savings of over \$3.5 million in reduced energy costs over the life of the equipment. The net present value of those savings, including the cost of the loan, would be \$1.1 million. The BEC concurs with the projected net savings of \$1.1 million.

4. The entire annual cost of the loan, amounting to \$217,000, is proposed to be recovered through an increase in the General Fund paid facilities charge for gas and electricity used by the Hall of Justice to be paid back over ten years. This charge would be included in the Bureau of Light, Heat, and Power's budget. However, according to Mr. O'Sullivan, the estimated savings that would be allocated to the General Fund is only \$180,000 per year (78 percent of the total of \$230,000). The remaining \$50,000 of the total of \$230,000 would accrue to Hetch Hetchy's operating fund. Therefore, the net cost to the General Fund would be approximately \$37,000 per year (\$217,000 loan payment less \$180,000 in savings).

5. Given that the General Fund would only receive 78 percent of the estimated annual savings from the new energy saving equipment, the Budget Analyst recommends that only 78 percent of the annual loan cost be paid by the General Fund. The remaining 22 percent of the annual loan payment should be paid by Hetch Hetchy. If the annual loan costs were allocated in this fashion, the annual loan cost to the General Fund would be approximately \$170,000 (78 percent times \$217,000) while the share of the annual loan cost to Hetch Hetchy would be \$47,000. This would result in a net General Fund benefit to the City of \$10,000 per year or \$100,000 over the ten-year term of the loan (\$180,000 annual savings less \$170,000 annual share of the loan cost). However, the General Fund would receive the full \$180,000 share of the annual energy savings from the time the loan is paid off in the tenth year through the end of the equipment's useful life in the 25th year.

6. Mr. O'Sullivan has stated that the \$50,000 in savings that would accrue to Hetch Hetchy could indirectly benefit the City's General Fund through increased revenue transfers to the General Fund from Hetch Hetchy. In FY 1990-91, the estimated revenue transfer to the General Fund is approximately \$15 million.

7. It should also be noted that, according to Mr. O'Sullivan, the first payment on the loan would be made in FY 1992-93. Mr. Peter Goldstein of the Mayor's Office reports that although the loan would pose no budgetary impact in 1991-92, the Mayor's Office is presently negotiating with the PUC and Hetch Hetchy to allocate the payment of the loan costs between the City's General Fund budget and Hetch Hetchy budget for FY 1992-93.

8. According to Mr. O'Sullivan, the Controller's Office had raised concerns about whether the City's lease-purchase financing corporation could instead finance the purchase of the new equipment at a lower interest rate (possibly seven percent) than the 8.25 percent offered by loan from the California Energy Commission (CEC). Mr. Fred Weiner of the CAO's Office reports that the CAO's Office could not give any assurances that this project would be accepted for financing when the City's proposed lease-purchase projects are reviewed in September, 1991. Mr. O'Sullivan further indicated that the State's energy conservation loan funds may be eliminated during the next fiscal year, and as such, the State CEC staff strongly urged the City to apply for the loan funds while they are currently available. Mr. O'Sullivan and Mr. Weiner also point out that applying for the loan would not necessarily obligate the City to accept the funds. The City could opt to return the CEC loan if lease-purchase monies could be obtained from the City's nonprofit finance corporation at a reduced interest rate.

9. For the Finance Committee meeting of May 29, 1991, Mr. Robert Kenealey of the City Attorney's Office had advised that the State Constitution prohibits the pledging of General Fund debt of over one year without a two-thirds approval of the electorate, and the proposed loan may violate this provision. Mr. Kenealey had requested continuance of the proposed resolution to enable the City Attorney's Office to examine the Constitutional issue further. Mr. Kenealey has advised that the State Constitution prohibits the use of the State Energy Commission loan. Therefore, the resolution should be tabled.

Recommendation: As noted in Comment No. 9, above, table the resolution.

Item 29 - File 97-91-34

Department: Department of Public Works (DPW)

Item: Ordinance amending the Administrative Code, by amending Section 16.6-9.1, to add eighteen organizations to the membership list of the Department of Public Works.

Description: The proposed ordinance would amend Section 16.6-9.1 of the Administrative Code to add eighteen organizations to the membership list of the DPW's Water Pollution Control Program. The Administrative Code currently lists 56 membership organizations for the DPW. The eighteen organizations and the annual membership fees for each are as follows:

| | Annual Membership Fees |
|---|------------------------------|
| American Assn. for the Advancement of Science | \$82.00 |
| American Chemical Society | 86.00 |
| American Fisheries Society | 95.00 |
| American Institute of Plant Engineers | 140.00 |
| American Management Association | 1,125.00 |
| American Management Society | 192.00 |
| American Society of Chemical Engineers | 29.50 |
| American Society of Quality Control | 58.00 |
| American Water Works Association | 198.00 |
| APWA-Instrument Testing Service, Inc. | 2,500.00 |
| Berkeley Macintosh Users Group | 40.00 |
| Citizens for a Better Environment | 25.00 |
| ELKE Users Group | 35.00 |
| Instrument Society of America | 220.00 |
| National Environmental Trainers Association | 290.00 |
| National Well Water Association | 82.00 |
| Society of Women Engineers | 70.00 |
| Southern California Assn. of Marine Invertebrate Taxonomists | 60.00 |
| Total | \$5,327.50 |

Comments: 1. Mr. Mark Watanabe of the DPW's Bureau of Water Pollution Control (BWPC) reports that the DPW has had continuing membership in all of the above listed organizations, except for "Citizens for a Better Environment," and the "National Well Water Association." However, the Controller's Office has recently informed the DPW that the above-listed organizations were not listed in the San Francisco Administrative Code. The Controller's Office would not release the funds for annual membership dues

BOARD OF SUPERVISORS
BUDGET ANALYST

until the DPW requested the Board of Supervisors amend the San Francisco Administrative Code to authorize membership in the above listed organizations.

2. Mr. Robert Carlson of the DPW reports that the Department has a total of \$36,431 budget for membership fees for fiscal year 1990-91. Mr. Carlson reports that the above listed membership fees are included in the \$36,431 budget for fiscal year 1990-91. Therefore, no additional funds are being requested.

3. Mr. Carlson also reports that approximately \$1,260 of the \$36,431 budgeted for membership fees comes from the General Fund. The remaining \$35,171 comes from a combination of Sewer Service charges, Bureau of Building Inspection Fees and Special Gas Tax Street Improvement Funds.

4. The Bureau of Water Pollution Control has provided the following justifications for membership in the above listed organizations:

American Association for the Advancement of Science. To keep abreast of trends in biological and chemical sciences. This allows the laboratory staff to maintain its ability to comply with EPA.

American Chemical Society. To maintain current information in chemical quality control methods. Again, this maintains the abilities of the laboratory staff.

American Fisheries Society. To be kept informed of trends in aquatic biology necessary for accurate testing to maintain discharge permit compliance.

American Institute of Plant Engineers. To provide information and support in the maintenance of large physical plants.

American Management Association. To acquire training in management techniques.

American Management Society. To keep administration abreast of modern management practices.

American Society of Chemical Engineers. Provides information pertinent to optimum operation of BWPC's analytical laboratory.

BOARD OF SUPERVISORS
BUDGET ANALYST

American Society of Quality Control. To keep abreast of new chemical quality control methods which must be known in order to keep the laboratory in compliance with regulatory agency requirements.

American Water Works Association. To keep informed of trends in water treatment and water quality topics.

APWA-Instrument Testing Service, Inc. To contribute to a group effort for testing of instrumentation used in waste water treatment. If the Bureau were to undertake such projects alone, the cost would be exorbitant.

Berkeley Macintosh Users Group. To obtain assistance and free access to network software as necessary for Macintosh computer users in the Bureau.

Citizens for a Better Environment. To establish and maintain liaison with public opinion relative to wastewater treatment and discharge.

ELKE Users Group. To remain current in techniques applicable to the existing maintenance and expenditure tracking system software used by BWPC.

Instrument Society of America. To keep abreast of developments in instrumentation and control procedures and devices pertinent to the Bureau's facilities.

National Environmental Trainers Association. Provides information and methods of particular interest to the Bureau for maintaining a well trained work force in the field of environmental protection.

National Well Water Association. To provide current information conjugate to water reclamation projects.

Society of Women Engineers. To keep current in matters pertinent to women of the engineering staff.

Southern California Assn. of the Marine Invertebrate Taxonomists. This is the only professional organization of this kind in the State. Information acquired assists in the performance of work required to meet discharge permit mandates.

5. Mr. Watanabe reports that membership in the American Management Association (\$1,125.00) includes discounts for management training classes, and the American

BOARD OF SUPERVISORS
BUDGET ANALYST

Management Society (\$192.00) is a management organization for professionals.

6. As previously mentioned, the Budget Analyst notes that the proposed 18 membership organizations would be in addition to the DPW's current list of 56 memberships, listed in the Administrative Code. Since the American Management Association, American Management Society, and the Berkeley Macintosh Users Group are not organizations which are specific to the operations of the DPW's Water Pollution Control Program, and may be of benefit to many departments in the City, the Budget Analyst believes that adding these three organizations to the San Francisco Administrative Code only on behalf of the DPW's Water Pollution Control Program is a policy matter for the Board of Supervisors. In addition, since Citizens for a Better Environment and the National Well Water Association are new organizations, the Budget Analyst believes that adding these two new organizations to the San Francisco Administrative Code should also be a policy matter for the Board of Supervisors. Together, these five organizations' annual membership fees total \$1,464.

- Recommendations:**
1. Approval of Memberships in the American Management Association, the American Management Society, Berkeley Macintosh Users Group, Citizens for a Better Environment, and the National Well Water Association is a policy matter for the Board of Supervisors.
 2. Approve the proposed ordinance pertaining to the remaining 13 organizations.

Item 30 - File 97-91-35

Department: Department of Public Works (DPW)

Item: Ordinance amending the Administrative Code, by amending Section 16.6-9.1, to add nine organizations to the membership list of the Department of Public Works.

Description: The proposed ordinance would amend Section 16.6-9.1 of the Administrative Code to add nine organizations to the membership list of the DPW's Clean Water Program. The Administrative Code currently lists 56 membership organizations for the DPW. The nine organizations are as follows:

American Conference of Coastal Dischargers
American Metropolitan Sewerage Association
American Shore and Beach Preservation Association
American Society of Civil Engineers Hydraulic Division
Businesswire (An International Press Relations
Wire Service)
(CSO) Combined Sewer Overflow Partnership
International Association of Water Pollution Research
and Control
National Association of Environmental Professionals
San Francisco Bay Section - California Water Pollution
Control Association

Comments:

1. Mr. Ed Pacumio of the DPW's Clean Water Program reports that the DPW has had continuing membership in all of the above listed organizations, except for "Businesswire." However, the Controller's Office has recently informed the DPW that the above-listed organizations were not listed in the San Francisco Administrative Code. The Controller's Office would not continue to release the funds for annual membership dues until the DPW requested the Board of Supervisors to amend the San Francisco Administrative Code to authorize membership in the above listed organizations.

2. Mr. Pacumio indicates that the DPW does not want to continue its membership in the American Conference of Coastal Dischargers because the DPW is currently a member in a local San Francisco Dischargers Association. Based upon inquiries by the Budget Analyst, Mr. Pacumio indicates that the DPW would also like to discontinue its membership in the American Shore and Beach Preservation Association, Businesswire, and in the San Francisco Bay Section - California Water Pollution Control Association. Therefore, the proposed resolution should be amended to

BOARD OF SUPERVISORS
BUDGET ANALYST

delete these four organizations from the proposed list of organizations, the "American Conference of Coastal Dischargers," "American Shore and Beach Preservation Association," "Businesswire," and "San Francisco Bay Section - California Water Pollution Control Association."

3. Mr. Pacumio reports that the American Metropolitan Sewerage Association is already listed in the Administrative Code as the "Association of Metropolitan Sewerage Agencies," but this is the same organization. Mr. Pacumio also reports that the American Society of Civil Engineers Hydraulic Division is also already listed in the Administrative Code. Therefore, the proposed resolution should be amended to delete these two organizations from the list of proposed organizations, the "American Metropolitan Sewerage Association, and the "American Society of Civil Engineers Hydraulic Division."

4. The membership fees for the remaining three organizations are as follows:

| | Annual Membership Fees |
|--|------------------------------|
| (CSO) Combined Sewer Overflow Partnership | 2,500 |
| International Association of Water Pollution Research and Control | 500 |
| National Association of Environmental Professionals | <u>75</u> |
| Total | \$3,075 |

5. Mr. Robert Carlson of the DPW reports that the Department has a total of \$36,431 budget for membership fees for fiscal year 1990-91. Mr. Carlson reports that the above listed membership fees are included in the \$36,431 budget for fiscal year 1990-91. Therefore, no additional funds would be requested.

6. Mr. Carlson also reports that approximately \$1,260 of the \$36,431 budgeted for membership fees comes from the General Fund. The remaining \$35,171 comes from a combination of Sewer Service charges, Bureau of Building Inspection Fees and Special Gas Tax Street Improvement Funds.

7. The DPW reports that membership in the above listed organizations would provide the staff of the Clean Water Program the opportunity to benefit from the exchange of ideas and information. Mr. Pacumio indicates that (CSO) Combined Sewer Overflow Partnership is an organization

BOARD OF SUPERVISORS
BUDGET ANALYST

which would keep the DPW informed on regulatory, litigation, and lobbying efforts affecting San Francisco's CSOs. As of the writing of this report, the DPW only provided preliminary information on (CSO) Combined Sewer Overflow Partnership, and the DPW was unable to provide any details on the specific benefits provided by the other two above-listed organizations. Therefore, the Budget Analyst believes that adding these three organizations to the San Francisco Administrative Code is a policy matter for the Board of Supervisors.

Recommendations: 1. Amend the proposed ordinance to delete the following organizations from the list of proposed organizations:

American Conference of Coastal Dischargers
American Metropolitan Sewerage Association
American Shore and Beach Preservation Association
American Society of Civil Engineers Hydraulic Division
Businesswire (An International Press Relations
Wire Service)
San Francisco Bay Section - California Water Pollution
Control Association

2. Approval of the proposed ordinance for the following three organizations is a policy matter for the Board of Supervisors:

(CSO) Combined Sewer Overflow Partnership
International Association of Water Pollution
Research and Control
National Association of Environmental Professionals

Item 31 - Files 64-91-10

The proposed resolution would authorize the extension of three leases for the Department of Social Services and one lease extension for the Controller's Office. Each of the proposed leases is summarized below:

- (1) **Location:** 160 South Van Ness Avenue
- Purpose of Lease:** Controller's Internal Audits Division
- Lessor:** Harlee Investment Company
- No. of Sq. Ft. and Cost/Month:** 15,000 sq. ft. @ \$.705/sq. ft./mo. = \$10,575 per month
- Annual Cost:** \$126,900
- % Increase Over 1990-1991:** 6%
- Utilities and Janitor Provided by Lessor:** No
- Term of Lease:** July 1, 1991 through June 30, 1992
- Right of Renewal:** Two one year options
- Source of Funds:** General Fund

- (2) **Location:** Portion of lot at South Van Ness and 13th Street
- Purpose of Lease:** Off-street parking for the Department of Social Services
- Lessor:** State of California
- No. of Sq. Ft. and Cost/Month:** 34,420 sq. ft. @ \$.046/sq. ft./mo. = \$1,600 per month
- Annual Cost:** \$19,200
- % Increase Over 1990-1991:** No Increase
- Utilities and Janitor Provided by Lessor:** Not Applicable
- Term of Lease:** July 1, 1991 through June 30, 1992

BOARD OF SUPERVISORS
BUDGET ANALYST

Right of Renewal: 12 one year options
Source of Funds: 35-40% City General Fund; 60-65% State and Federal funds

(3) **Location:** Portion of lot at Valencia and Stevenson Streets
Purpose of Lease: Off-street parking for the Department of Social Services
Lessor: State of California
No. of Sq. Ft. and Cost/Month: 28,170 sq. ft. @ \$.067/sq. ft./mo. = \$1,883 per month
Annual Cost: \$22,596
% Increase Over 1990-1991: No Increase
Utilities and Janitor Provided by Lessor: Not Applicable
Term of Lease: July 1, 1991 through June 30, 1992
Right of Renewal: Nine one year options
Source of Funds: 35-40% City General Fund; 60-65% State and Federal funds

(4) **Location:** 1440 Harrison Street
Purpose of Lease: Department of Social Services, General Assistance Program
Lessor: Eden and Eden
No. of Sq. Ft. and Cost/Month: 52,200 sq. ft. @ \$1.49/sq. ft./mo. = \$77,670 per month
Annual Cost: \$932,040
% Increase Over 1990-1991: No Increase

BOARD OF SUPERVISORS
BUDGET ANALYST

Utilities and Janitor No
Provided by Lessor:

Term of Lease: July 1, 1991 through June 30, 1992

Right of Renewal: Three ten year options and one five year option

Source of Funds: 35-40% City General Fund; 60-65% State and Federal

Comments

1. The Real Estate Department reports that the proposed rents reflect fair market value.

2. The total amount of funds required is \$1,100,736. The funding availability is subject to approval in the Fiscal Year 1991-1992 budget.

3. According to Mr. Ray Sullivan at the Department of Social Services, the parking lots for DSS are reserved for DSS Outreach Workers who use their personal cars for business purposes, such as home visits to DSS clients. Mr. Ernest Radley of the Department of Social Services, Support Services, reports that DSS leases 91 spaces at the South Van Ness and 13th Street lot which are periodically used by approximately 190 employees. Mr. Radley further reports that DSS leases 54 spaces at the Valencia and Stevenson Streets lot which are used periodically by approximately 88 employees. Mr. Sullivan states that a total of 4-5 spaces are reserved for carpoolers.

4. Rents for the Department of Social Services leases are paid based on a proportional basis. Proportions paid by the City's General Fund versus the State and Federal government are calculated using a formula based on the number of hours which social workers expend on various projects. According to Ms. Judy Schutzman of the Department of Social Services, the City will be partially reimbursed by the State and Federal governments for the parking lots as well as for rent for the General Assistance Program offices at 1440 Harrison Street.

5. Ms. Schutzman reports that there are no workable parking alternatives in the neighborhood of the Department of Social Services. Street parking in that neighborhood is limited to one hour, and private lots in that neighborhood provide all-day spaces only, at a cost of \$3-\$4 per day, or \$100 per month.

Recommendation

Approve the proposed legislation.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
June 5, 1991

Item 32 - File 64-91-14

Department: Real Estate Department

Item: Resolution authorizing a new lease of real property for three City departments

Location: 555 Seventh Street

Purpose of Lease: Public Defender's Office
Sheriff's Department
Office of Citizen Complaints

Lessor: Burt J. Hamrol

No. of Sq. Ft.: 32,000 square feet

Cost per Sq. Ft.: \$1.85 per sq. ft. per month

Cost per Month: \$59,055

Annual Cost: \$708,660

Term of Lease: July 1, 1991 to June 30, 2001, with a three percent annual adjustment for years 3-5 and a four percent annual adjustment for years 6-10

Right of Renewal: No option for renewal

Utilities/Janitor
Provided by Lessor: Janitorial service only.

Source of Funds: General Fund.

Comments: 1. According to Mr. Jerry Romani at the Real Estate Department, these premises were first occupied by the Public Defender's Office, the Sheriff's Department, and the Office of Citizen Complaints on February 27, 1987. The existing lease, which terminates on June 30, 1991, contains three 5-year options, the first of which provides for annual rent increases of five percent. The current lease does not include janitorial services. Rather than exercise such an option under the current lease, a new ten-year lease with rent and janitorial services included, at a total monthly increase of \$200 for the first and second years, a three percent annual adjustment for the third through fifth years, and a four percent annual adjustment for the sixth through tenth years was negotiated.

2. Mr. Romani reports that the FY 1990-91 monthly rent, at \$54,455, does not include the \$4,400 monthly fees paid to the lessor for janitorial services. Total monthly cost is \$58,855. The proposed monthly rent of \$59,055 would include janitorial services. The proposed total monthly cost would increase \$200 because of the greater scope of janitorial services, including exterior and interior window cleaning.

3. According to the Real Estate Department, rent for the property at 555 Seventh Street represents a fair market value for the property.

Recommendation: Approve the proposed resolution.

Item 33 - File 65-91-4

Departments: Real Estate Department
Department of Public Works (DPW)

Item: Ordinance authorizing a lease renewal of vacant commercial land between the City as lessor and M & M Auto Wreckers as lessee.

Location: Assessor's Block 5227, Lot 1 1790 Evans Avenue

Purpose of Agreement: Storage, parking and dismantling of automobiles and trucks

Lessee: M&M Auto Wreckers

No. of Sq. Ft. and Cost/Month: 47,780 sq. ft. @ \$0.08/sq. ft./mo. = \$3,800 per month

Annual Revenue: \$45,600

% Increase Over Prior Year: 204%

Utilities and Janitor Provided by City: No

Term of Agreement: July 1, 1991 through June 30, 1992 month to month

Comments:

1. M&M Auto Wreckers was the lessee of this property prior to the City acquiring this property from the State in May, 1978 for the Clean Water Program purposes.
2. Mr. John Pomieri of the Department of Real Estate reports that the previous monthly rent of \$1,250 had remained the same since 1980. The rent has not changed from 1980 since the beginning of this renewal lease period because of legal problems between the City and M&M Auto Wreckers. Ms. Lisa Malio of the City Attorney's Office reports that there was an action in court that took many years to resolve dealing with unlawful detainer, damages and rent regarding the prior lease. The lawsuit was settled in March, 1991.
3. Mr. Todd Cockburn of the DPW's Clean Water Program reports that the land M&M Auto Wreckers is leasing will not be needed by the Clean Water Program within the lease period. However, the City plans to use this site as a potential pump station with construction beginning in January, 1993.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
June 5, 1991

Recommendation: Approve the proposed ordinance.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 34 - File 25-91-21

Department: Recreation and Park Department

Proposed Action: Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

Services to be Performed: Security Services at the Zoo

Description: The Controller has determined that contracting for these security services in fiscal year 1991-92 would result in estimated savings as follows:

| | Lowest Salary <u>Step</u> | Highest Salary <u>Step</u> |
|-------------------------------------|---------------------------------|----------------------------------|
| <u>City Operating Service Costs</u> | | |
| Salaries | \$156,655 | \$184,749 |
| Fringe Benefits | <u>46,573</u> | <u>52,824</u> |
| Total | \$203,228 | \$237,573 |
| <u>Contracted Service Cost</u> | <u>144,393</u> | <u>144,393</u> |
| <u>Estimated Savings</u> | \$58,835 | \$93,180 |

Comment:

1. Security Services were first certified as required by Charter Section 8.300-1 in 1982 and have been continuously provided by an outside contractor since then.
2. The current one-year contract, which expires June 30, 1991, is with McCoy Security Services. The contract contains an extension clause for up to two years. Mr. Carlos Luna at the Recreation and Park Department confirms that McCoy Security Services will provide the same services at the same cost for Fiscal Year 1991-92 as for Fiscal Year 1990-91.
3. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of this contract, is attached. McCoy Security Services is a City-certified MBE firm.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

CHARTER 8.300-1 (Proposition J) QUESTIONNAIRE

Department Rec & Park - SF Zoo
Contract Services McCoy Security Service
For the term starting approximately 7/1/91 through 6/30/92

1) Who performed services prior to contracting out?

No one

2) Number of City employees laid off as a result of contracting out?

No one

3) Explain disposition of employees if they were not laid off.

N/A

4) What percent of a City employee's time is spent on services to be contracted out?

None

5) How long have the services been contracted out?

7/1/82

6) When was the first fiscal year for a Proposition J certification?

1982

7) How will contract services meet the goals of your MBE/WBE Action Plan?

Yes - minority owned company

Joe Rusk

Department Representative

753-7082

Telephone

Item 35 - File 168-91-2

1. The proposed resolution would indicate the Board of Supervisors concurrence with the joint recommendations of the Recreation and Park Commission and the City Planning Commission concerning expenditure of the fiscal year 1991-92 Open Space Acquisition and Park Renovation Fund, with the reservation by the Board of Supervisors to approve or disapprove any specific acquisitions as provided in the 1991-92 Open Space Budget.

2. Under the provisions of Section 6.413 of the Charter, an annual tax of 2.5 cents per hundred dollars of assessed property valuation is imposed for the Open Space Fund for a period of fifteen years. Fiscal year 1989-90 constituted the fifteenth and last year of this program, which began in 1974. However, in November of 1988, San Francisco voters approved Proposition E which extended the Open Space Acquisition and Park Renovation Fund an additional fifteen years beginning July 1, 1990. Monies for this Fund come from the 2.5 cent property tax rate. Not more than 40 percent of the Fund can be used for maintenance of properties previously acquired. The remaining money in the Fund is spent as follows: (1) at least 40 percent for acquiring and developing property; (2) at least 15 percent for renovation; (3) not more than 25 percent for maintaining property and recreational facilities acquired after FY 1990-91, for programs other than for after-school recreation programs, and for administration; and (4) 20 percent for after-school recreation programs.

3. The table below shows property tax revenues that have accrued to the Open Space Fund.

| <u>Fiscal Year</u> | <u>Open Space Revenues</u> |
|--------------------|----------------------------|
| 1975-76 | \$2,637,972 |
| 1976-77 | 3,029,297 |
| 1977-78 | 3,414,149 |
| 1978-79 | 3,032,083 |
| 1979-80 | 1,900,000 |
| 1980-81 | 4,879,215 |
| 1981-82 | 5,353,834 |
| 1982-83 | 6,098,608 |
| 1983-84 | 6,810,960 |
| 1984-85 | 7,404,364 |
| 1985-86 | 8,572,212 |
| 1986-87 | 9,261,331 |
| 1987-88 | 10,091,185 |
| 1988-89 | 14,342,299 |
| 1989-90 | 14,834,937 |
| 1990-91 | 14,300,000* |
| 1991-92 | <u>15,000,000*</u> |
| Total | \$130,962,446 |

* Estimated

As of May 30, 1991, the unappropriated revenues in the Open Space Fund was approximately \$4,435,804. According to Mr. Phil Arnold of the Recreation and Park Department (RPD), the unappropriated revenues consists of accumulated interest revenue, unallocated tax proceeds, and reserves for litigation.

4. The Recreation and Park Department's proposed 1991-92 budget includes the following expenditures from the Open Space Fund:

| | <u>Amount</u> | <u>Percent of Total Fund</u> | <u>Percentage of Remainder of Fund</u> |
|--|--------------------|----------------------------------|--|
| Total Park and Open Space Fund | \$15,000,000 | 100.0% | |
| Maintenance of Previously Acquired and Developed Properties | <u>6,000,000</u> | 40.0 | |
| Remainder of Fund | <u>9,000,000</u> | | |
| Acquisition and Development of Property | 4,434,000 | 29.6 | 49.3% |
| Renovation | 2,100,000 | 14.0 | 23.3 |
| Administration | 666,000 | 4.4 | 7.4 |
| After-School Program | <u>1,800,000</u> | <u>12.0</u> | <u>20.0</u> |
| Total allocation of 1991-92 projected revenues | <u>\$9,000,000</u> | <u>60.0</u> | <u>100.0</u> |

Comments

1. The percentage of the Fund proceeds to be expended for acquisition, development and renovation in 1991-92 conform to Charter provisions.

2. RPD also proposes to allocate an additional \$4,394,000 of the \$4,435,804 in unappropriated revenues for the acquisition and development of property. The total proposed amount allocated for acquisition and development would be \$8,828,000. According to Mr. Phil Arnold of the RPD, the \$4,394,000 reserved for litigation became available for appropriation, because several legal challenges to property acquisitions ended in settlements.

BOARD OF SUPERVISORS
BUDGET ANALYST

3. The proposed resolution provides that the Board of Supervisors concurrence is made with the joint recommendations of the Recreation and Park Commission and the City Planning Commission concerning proposed 1991-92 Open Space expenditures, with the reservation that the Board of Supervisors may approve or disapprove any specific acquisitions for which funding might be provided in the 1991-92 Open Space budget.

4. As noted above, not more than 25 percent of the remaining funds can be allocated for (1) maintaining property and recreational facilities acquired after FY 1990-91, (2) for programs other than after school recreation programs, and (3) for administration. The RPD has budgeted \$666,000 (4.4 percent of the total fund) for administration purposes. Although the RPD is not specifically required to allocate funds to all three programs, the RPD has not allocated funds for maintenance of recreational facilities acquired after FY 1990-91, or for programs other than after school recreation programs. It is anticipated that any properties acquired by RPD after FY 1990-91 will not require maintenance in FY 1991-92.

Recommendation

Approve the proposed resolution.

June 5, 1990

Item 36 - File 101-90-104

Department: Department of Social Services (DSS)

Item: Supplemental Appropriation for General Assistance, Department of Social Services, for Fiscal Year 1990-91. The proposed legislation also provides for ratification of an action previously taken.

Amount: \$4,181,000

Source of Funds: General Fund, General Reserve

Description: For FY 1990-91, DSS has budgeted \$36,524,504 for General Assistance. Estimates by the DSS, the Mayor's Office, and the Controller indicate that the Department will overspend its appropriation for General Assistance (GA). The proposed supplemental appropriation would provide an additional \$4,181,000 in General Fund monies for GA aid payments.

Comments:

1. General Assistance aid payments are funded solely by the General Fund. The original and current FY 1990-91 appropriation for GA is \$36,524,504. As of April 30, 1991, a total of \$33,401,994 of General Fund monies had been expended for GA, leaving a balance of \$3,122,510 for the remaining two months of this fiscal year.
2. The Budget Analyst has reviewed the caseload and cost projections for GA, as provided by the DSS. Based on current rates of expense and caseload trends, the projected additional General Fund monies needed for General Assistance could range from \$4,044,000 to as high as \$4,357,000. Therefore, we believe that this supplemental appropriation request to fund the project budget deficiency is reasonable.
3. From July 1, 1989, through March 31, 1991, GA caseloads increased from 8,657 per month to 12,543 per month, or an increase of 45 percent. Furthermore, according to Ms. Sally Kipper of DSS, the GA monthly caseloads increased by an average of 515 cases for the months of January, February, and March, 1991. DSS has stated that it cannot presently explain why the GA caseloads have increased so dramatically. However, an informal DSS survey of other counties for the period November, 1990, through March, 1991, indicates that GA caseloads have increased significantly across the State.

BOARD OF SUPERVISORS
BUDGET ANALYST

4. Ms. Kipper reports that the fiscal year 1990-91 budgeted appropriation for GA was depleted as of May 15, 1991. The next set of GA payments is scheduled to be distributed June 1, 1991, which would occur before the final approval of this proposed ordinance. Therefore, the proposed ordinance also provides for ratification of action previously taken. Ms. Kipper advises that DSS decided to wait until after April 25, 1991 to submit the supplemental request in order to justify the request on the latest possible expenditure information available. The Social Services Commission approved submittal of this request at its meeting of April 25, 1991.

5. DSS further expects caseloads to continue increasing in FY 1991-92. The Budget Analyst will review these caseload data as part of the 1991-92 budget review.

Recommendation: Approve the proposed ordinance.

Item 37 - File 101-90-105

JUN 5 1991

Department: Department of Social Services

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PUBLIC LIBRARY

Item: Supplemental Appropriation Ordinance for Aid to Families with Dependent Children-General Assistance (AFDC-General Assistance), Department of Social Services, for Fiscal Year 1990-91.

Amount: \$2,804,429

| | | |
|-------------------------|--------------------|---|
| Source of Funds: | \$140,211 | General Fund, General Reserve (5%) |
| | 1,261,993 | AFDC-General Assistance (State - 45%) |
| | <u>1,402,225</u> | AFDC-General Assistance (Federal - 50%) |
| | <u>\$2,804,429</u> | |

Description: In FY 1990-91, the DSS budgeted \$90 million for AFDC-General Assistance. Estimates by the DSS, Mayor's Office, and the Controller indicate that the Department will overspend its FY 1990-91 budgeted appropriations for AFDC-General Assistance. The proposed supplemental appropriation would provide an additional \$2,804,429, including \$140,211 in General Fund monies, for AFDC-General Assistance.

Comments:

1. The Budget Analyst has reviewed the caseload and cost projections for AFDC-General Assistance, as provided by the DSS. Based on current rates of expense and caseload trends, the projected additional appropriation needed for AFDC-General Assistance could range from as low as \$2,929,125 to as high as \$5,485,441. The Department reports, however, that the lower requested total of \$2,804,429 to adequately fund AFDC-General Assistance through June 30, 1991, is the annualized projection based on the Controller's expenditure reports and also accounts for warrants not cashed by the client and subsequently cancelled by DSS.
2. DSS reports that the increase in AFDC-GA caseload is due to the recession and increases in the number of immigrant families seeking assistance. DSS further expects the AFDC-GA caseload to continue increasing in fiscal year 1991-92. The Budget Analyst will review these caseload data as part of the 1991-92 budget review.
3. The cost of AFDC-General Assistance is shared by the State, Federal, and local governments. The City's share is five percent. The proposed supplemental appropriation includes \$140,211 to be appropriated from the General Fund General Reserve, which is approximately five percent of the total supplemental appropriation requested.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
June 5, 1991

Recommendation: Approve the proposed ordinance.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 38 - File 38-91-3

1. The proposed resolution would authorize the Small Business Advisory Commission to accept and administer a gift of \$15,000 from the Chevron Corporation to support the activities of the Commission's Green Ribbon Panel.

2. The Mayor's Office currently funds salaries and fringe benefits for the Small Business Advisory Commission through the General Fund. The Commission, located at 100 Larkin Street, does not incur any expenses for rent. All program costs other than personnel must come through donations. The Commission has received only in-kind donations to date. The Chevron donation would be the first cash donation the Commission has received.

3. The 12-member Green Ribbon Panel was established in August, 1990. Its members come from government, community organizations, and the private sector. Its goal is to educate small businesses in ecologically sound business practices through printed information, seminars, and by example. The Panel has met on a regular basis since its formation, and has written a brochure which would provide guidelines to ecologically efficient business practices.

4. According to Ms. Sue Lee, Executive Director of the Small Business Advisory Commission, the Green Ribbon Advisory Panel would use the Chevron donation to produce a "Living Binder" and brochure. The Living Binder would be a collection of information categorized by types of businesses, such as restaurants, social service agencies, or financial institutions. Information in the Living Binder might include methods for recycling, articles regarding ecologically sound business practices, and information regarding supplies and packaging. The brochure, which has been written but not produced, would provide general guidelines for operating a business in an ecologically efficient manner. Living Binders would be made accessible through a library/clearinghouse located at the Small Business Advisory Commission. Brochures would be mailed to local small businesses.

The Small Business Advisory Commission's proposed budget for the \$15,000 Chevron donation is as follows:

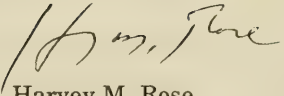
| | |
|------------------------|--------------|
| Other Services | \$5,000 |
| Materials and Supplies | 1,000 |
| Reproduction | 4,000 |
| City Mail Services | <u>5,000</u> |
| TOTAL | \$15,000 |

The Other Services category includes hiring a graphic designer to design the Living Binder and brochure. Materials and Supplies includes purchase of the binders. Reproduction includes printing the brochure and Mail Services includes bulk mailing brochures to local businesses.

Memo to Finance Committee
June 5, 1991

Recommendation

Approve the proposed resolution.



Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Shelley
Supervisor Hallinan
President Ward
Supervisor Achtenberg
Supervisor Alioto
Supervisor Britt
Supervisor Hsieh
Supervisor Kennedy
Supervisor Maher
Supervisor Migden
Clerk of the Board
Legislative Policy Analysts
Chief Administrative Officer
Controller
Sam Yockey
Ted Lakey

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#2
6/10/91

~~CALENDAR~~ - ACTION TAKEN
MEETING OF
FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, JUNE 12, 1991 - 2:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN

DOCUMENTS DEPT.

CLERK: JONI BLANCHARD

JUN 11 1991

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting. SAN FRANCISCO PUBLIC LIBRARY

NOTE: It is the intention of the Chair to entertain a motion to recess the meeting of June 12, 1991 at the hour of 6:00 p.m. to June 13, 1991 at 10:00 a.m. if all calendar business has not been addressed by that time.

1. File 101-91-1. [Interim Annual Appropriation Ordinance Fiscal Year 1991-92] Interim Annual Appropriation Ordinance for Fiscal Year 1991-92. (Controller)

ACTION:

2. File 102-91-1. [Interim Annual Salary Ordinance Fiscal Year 1991-92] An ordinance enumerating positions in the Annual Budget and Appropriation Ordinance for the Fiscal Year ending June 30, 1992, continuing, creating or establishing these positions; enumerating and including therein all positions created by Charter or State law for which compensations are paid from City and County funds and appropriated in the Annual Appropriation Ordinance; authorizing appointments or continuation of appointments thereto; specifying and fixing the compensations and work schedules thereof; and authorizing appointments to temporary positions and fixing compensations. (Civil Service Commission)

ACTION:

3. File 161-91-3. [Redevelopment Agency Budget] Resolution approving an interim budget of the Redevelopment Agency of the City and County of San Francisco for Fiscal Year 1991-92. (Supervisor Gonzalez)

ACTION:

4. File 57-91-2. [Solid Waste Management] Resolution authorizing the CAO of San Francisco to accept and expend \$2,487,833 in funds from the Sanitary Fill Company to be used for the Solid Waste Management Program projects, and placing \$840,830 on reserve pending approval of these expenditures under the Refuse and Disposal Rate Review. (Chief Administrative Officer)

ACTION:

5. File 182-91-2. [Property Tax Administration Fee -- School District] Resolution setting fee to be paid by San Francisco Unified School District for property tax administration and directing Controller to bill San Francisco Unified School District. (Supervisor Gonzalez)

ACTION:

6. File 117-91-1. [Plan Review Fee Schedule] Ordinance amending Fire Code by amending Section 4.208, increasing the property inspection fee for Fire Department review of plans submitted with building permit applications. (Supervisor Gonzalez)

(The Chair may entertain a motion to continue this item)

ACTION:

MATTERS CONTINUED FROM 6/5/91

7. File 28-91-8. [Emergency Work] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, safety and welfare of citizens of the City and County of San Francisco and of the County of San Mateo by performing necessary work to abate fire and sewage effluent hazards at Log Cabin Ranch in La Honda and further authorizing the Juvenile Probation Department to apply for a long-term, low-interest loan from the State Water Resources Control Board. (Juvenile Probation Department)

(Consideration continued from 6/5/91)

ACTION:

8. File 97-91-37. [Vehicle Theft Crimes Funds] Ordinance amending Administrative Code by adding Section 10.117-109 thereto, to establish the Vehicle Theft Crimes Fund; companion to File 97-91-37.1. (Police Department)

(Consideration continued from 6/5/91)

ACTION:

9. File 97-91-37.1. Resolution exercising option of the City and County of San Francisco to receive \$1.00 vehicle registration fee for auto vehicle theft enforcement purposes; companion to File 97-91-37. (Supervisor Gonzalez on behalf of the Police Department)

ACTION:

10. File 156-91-2. [Federal Funds] Resolution approving an expenditure plan for Refugee Employment Social Services and Refugee Targeted Assistance Funds. (Private Industry Council)

(Consideration continued from 6/5/91)

ACTION:

11. File 101-90-111. [Government Funding] Ordinance appropriating \$151,000, Airports Commission, for overtime. RO #91007. (Controller)

(Consideration continued from 6/5/91)

COMMISSION ON THE AGING

12. File 25-91-23. [Contracting Out City Services] Resolution concurring with the Controller's certification that the Senior Information and Referral Program can be practically performed for the Commission on the Aging, by a private contractor for a lower cost than similar services performed by City and County employees. (Commission on the Aging)

(Consideration continued from 6/5/91)

ACTION:

ARTS COMMISSION

13. File 132-91-6. [Grant - Foundation Funds] Resolution authorizing the San Francisco Arts Commission to apply for, retroactively, accept and expend renewal of Annual \$60,000 Burlington Resources Foundation Grant for support of high artistic standards and low-cost ticket prices at the 1991 POPS Series, and to ensure added revenues to benefit Arts Commission's Community Arts Programs. (Arts Commission)

ACTION:

CONTROLLER

14. File 157-91-1. [Departmental Report of Fees] Transmitting Departmental Report of Fees, except fees regulated by State or Federal law, for 1991-92, pursuant to Section 3.17-2 of the Administrative Code. (Controller)

ACTION:

DISTRICT ATTORNEY

15. File 101-90-130. [Government Funding] Ordinance appropriating \$9,406, District Attorney, for training and membership dues and rescinding \$9,406 from office machine rental, subject of previous budgetary denial and providing for ratification of action previously taken. RO #90308. (Controller)

ACTION:

16. File 138-91-3. [Grant - State Funds] Resolution authorizing the District Attorney of the City and County of San Francisco to apply for, accept and expend funds in the amount of \$112,970 made available through the Office of the Attorney General for the operation of a project entitled "Child Victim Witness Investigative Pilot Project", for the twelve month period July 1, 1991 through June 30, 1992. (Mayor)

ACTION:

LIBRARY

17. File 147-91-5. [Grant - State Funds] Resolution authorizing the San Francisco Public Library to apply for, accept and expend funds not to exceed \$3,100,000 available through the California State Library from the California Library Construction and Renovation Bond Act of 1988. (Public Library Commission)

ACTION:

MAYOR'S OFFICE

18. File 68-91-3. [Criminal Justice - State Grant] Resolution authorizing the Mayor's Criminal Justice Council of the City and County of San Francisco to apply for, accept and expend funds totalling \$801,907 from the California Youth Authority for the 1991/92 "County Justice System Subvention Program" (CJSSP); providing allocations; designating program coordinator; placing \$32,165 of unallotted funds in reserve. (Mayor's Public Safety Office)

ACTION:

19. File 270-91-3. [Mayor's Earthquake Emergency Relief Fund] Resolution approving expenditure from the Mayor's Earthquake Emergency Relief Fund of \$715,000 for completion of rehabilitation of two multi-service shelters to accommodate persons displaced by October 17, 1989 earthquake; and for relocation and safety projects related to rehabilitation. (Mayor)

ACTION:

20. File 143-91-1. [Anti-Drug Abuse Funds] Resolution authorizing the Chief of Police of the City and County of San Francisco to apply for, accept and expend funds in the amount of \$125,431 made available through the Office of Criminal Justice Planning for a project entitled "San Francisco Police Department's Drug Abatement Project". (Mayor)

ACTION:

21. File 130-91-3. [Anti-Drug Abuse Funds] Resolution authorizing the Chief Adult Probation Officer of the City and County of San Francisco to apply for, accept and expend funds in the amount of \$170,795 made available through the Office of Criminal Justice Planning for a project entitled "San Francisco Adult Probation's Drug Abatement Project". (Mayor)

ACTION:

22. File 138-91-4. [Anti-Drug Abuse Funds] Resolution authorizing the District Attorney of the City and County of San Francisco to apply for, accept and expend funds in the amount of \$300,206 made available through the Office of Criminal Justice Planning for a project entitled "San Francisco District Attorney's Drug Abatement Project", for the twelve month period July 1, 1991 through June 30, 1992. (Mayor)

ACTION:

23. File 152-91-3. [Anti-Drug Abuse Funds] Resolution authorizing the Sheriff of the City and County of San Francisco to apply for, accept and expend funds in the amount of \$76,469 made available through the Office of Criminal Justice Planning for a project entitled "San Francisco Sheriff's Drug Abatement Project". (Mayor)

ACTION:

DEPARTMENT OF PARKING AND TRAFFIC

24. File 101-90-114. [Government Funding] Ordinance appropriating \$1,000,000, Department of Parking and Traffic, for capital improvement project (San Francisco General Hospital Parking Facility). RO #90287. (Controller)

ACTION:

25. File 101-90-115. [Government Funding] Ordinance appropriating \$600,000, Department of Parking and Traffic, for capital improvement project (Chinatown Parking Project). RO #90288. (Controller)

ACTION:

POLICE DEPARTMENT

26. File 101-90-108. [Government Funding] Ordinance appropriating \$9,472, Police Department, for equipment purchase (laboratory equipment). RO #90286. (Controller)

ACTION:

27. File 101-90-116. [Government Funding] Ordinance appropriating \$202,284, Police Department, for equipment purchase and services of miscellaneous departments-Medical Examiner. RO #90290. (Controller)

ACTION:

28. File 101-90-117. [Government Funding] Ordinance appropriating \$1,966,979, Police Department, for various purposes. RO #90293. (Controller)

ACTION:

29. File 101-90-119. [Government Funding] Ordinance appropriating \$7,199,615, Police Department, for permanent salaries-miscellaneous, differential pay, overtime and holiday pay - uniform, extended work week and retroactive salaries; rescinding \$1,253,863 from temporary salaries, permanent salaries - uniform and retirement - City, \$195,396 from Senior Escort Service's permanent salaries and mandatory fringe benefits and \$107,402 from Office of Citizen Complaint's permanent salaries, overtime and mandatory fringe benefits, for Fiscal Year 1990-91; providing for ratification of action previously taken; subject to previous budgetary denial. RO #90293. (Controller)

ACTION:

DEPARTMENT OF PUBLIC HEALTH

30. File 101-90-122. [Government Funding] Ordinance appropriating \$52,638, Department of Public Health, for permanent salaries and related mandatory fringe benefits. RO #90300. (Controller)

ACTION:

31. File 101-90-123. [Government Funding] Ordinance reducing \$1,516,882, Department of Public Health - San Francisco General Hospital, from Stores Fund (materials and supplies). RO #90301. (Controller)

ACTION:

32. File 30-91-8. [Contract] Resolution authorizing the Department of Public Health, Division of Mental Health, Substance Abuse and Forensics to extend the terms of certain health service contracts on an interim month-to-month basis. (Department of Public Health)

ACTION:

33. File 38-91-4. [Gift Acceptance] Resolution authorizing the Department of Health, AIDS Office, to accept a gift of medicine valued at \$53,200 from Burroughs Wellcome Company for the provision of the AIDS drug Retrovir (AZT) to eligible AIDS patients and HIV seropositive individuals. (Department of Public Health)

ACTION:

34. File 146-90-109.3. [Release of Funds] Requesting release of reserved funds, Department of Public Health, AIDS Office, in the amount \$100,000, for AIDS/HIV Regional Planning, for implementing Comprehensive AIDS Resources Emergency (CARE) services in San Mateo County. (Department of Public Health)

ACTION:

35. File 146-91-52. Resolution authorizing the Department of Public Health, Community Public Health Services, Family Health Services, WIC Program, to apply for a grant of \$1,334,558 which includes indirect costs in the amount of \$93,147, based on 10% of personnel costs, from the State Department of Health Services, for nutrition services for women and infant residents of San Francisco, and to authorize the expenditure of grant funds to establish and finance civil service positions for the provision of these services. (Department of Public Health)

ACTION:

PUBLIC UTILITIES COMMISSION

36. File 101-90-121. [Government Funding] Ordinance appropriating \$47,925,000, Water Department, for various improvement projects. RO #90298. (Controller)

ACTION:

37. File 94-91-3. [Grant - Regional Funds] Resolution authorizing the Public Utilities Commission to apply for, accept and expend up to \$3.2 million of Bridge Toll funds for SFMRIC lease payments and \$59.5 million of Regional funds such as Urban Mass Transportation Administration Sections 8 and 9, Transportation Development Act (TDA) Articles 4, 8 and 4.5, State Transit Assistance Revenue-Based funds, AB 1107 half-cent sales tax, and approximately \$1.6 million of Bay Area Rapid Transit District funds for 1991-92 Municipal Railway operations and capital improvements. (Public Utilities Commission)

ACTION:

38. File 94-91-4. [Grant - Federal Funds] Resolution authorizing the Public Utilities Commission to apply for, accept and expend \$13,815,120 of UMTA Section 9 Formula Assistance and \$3,453,780 from State Transit Capital Improvement funds or State Urban Rail Bond funds or State Clean Air and Transportation Improvement Act Bond funds or regional local match funds such as State Transit Assistance funds, State Transportation Development Act, Bridge Toll Net Revenues, Gas Tax Revenues, Hetch Hetchy funds, Transit Impact Development Fee Revenues, San Francisco Municipal Railway Improvement Corporation funds, and/or the San Francisco County Sales Tax Revenues for eight Municipal Railway projects. (Public Utilities Commission)

ACTION:

39. File 100-90-1.18. [Release of Reserves] Requesting release of reserves in the amount of \$75,000, Public Utilities Commission, Water Department for the "Development of an Expert System to Assist in Operations of the San Francisco Water Supply Network". (Public Utilities Commission)

ACTION:

DEPARTMENT OF PUBLIC WORKS

40. File 101-90-69.1. [Release of Funds] Requesting release of reserved funds, Department of Public Works, in the amount of \$1,060,775 for the construction of the Mission Street Pavement Renovation Project. (Department of Public Works)

ACTION:

41. File 101-90-118. [Government Funding] Ordinance appropriating \$2,215,000, Cleanwater Program, for capital improvement project (Islais Creek Transport Design). RO #90295. (Controller)

ACTION:

42. File 101-90-125. [Government Funding] Ordinance appropriating \$541,000, Cleanwater Program, for capital improvement project (Best Management Practices Program). RO #90303. (Controller)

ACTION:

43. File 101-90-126. [Government Funding] Ordinance appropriating \$24,402, Department of Public Works, for capital improvement project (5th and Harrison Streets Cistern) and certifying \$24,402 from capital improvement project (5th and Harrison Streets Cistern) to cover overage above ten percent (10%) of contracted amount pursuant to provisions of Charter Section 7.203. RO #90304. (Controller)

ACTION:

44. File 101-90-127. [Government Funding] Ordinance appropriating \$26,500,000, Department of Public Works - 1990 Earthquake Safety Bond Program Phase 2, for various capital improvement projects and program project budget, Chief Administrative Officer, City Attorney, and Controller. RO #90305. (Controller)

ACTION:

45. File 101-90-128. [Government Funding] Ordinance appropriating \$6,500,000, Department of Public Works - 1989 Earthquake Safety Bond Program Fund, for various capital improvement projects, City Attorney, Controller, Fire Department and Chief Administrative Officer. RO #90306. (Controller)

ACTION:

46. File 148-91-8. [Grant - Federal Funds] Resolution authorizing the Director of Public Works to apply for \$58.5 million of Federal Highway Administration Emergency Relief Funds for the planning, design and construction of a subsurface alternative to the Embarcadero Freeway, and to accept and expend \$4,593,600 million of said funds for planning environmental work for the project; companion measure to Files 148-91-9 and 270-91-4. (Department of Public Works)

ACTION:

47. File 148-91-9. [Grant - State Funds] Resolution authorizing the Director of Public Works to apply up to 11.0 million of State Highway Funds for the planning, design and construction of a subsurface alternative to the Embarcadero Freeway, and to accept and expend \$756,400 of said funds for planning environmental work for the project; companion measure to Files 148-91-8 and 270-91-4. (Department of Public Works)

ACTION:

48. File 270-91-4. [Mayor's Earthquake Emergency Relief Fund] Resolution approving expenditure of \$481,000 from the Mayor's Earthquake Emergency Relief Fund by the Department of Public Works for planning and conceptual engineering on the Embarcadero Freeway Replacement Project, such funds to be reimbursed subsequently; companion measure to Files 148-91-8 and 148-91-9. (Department of Public Works)

ACTION:

49. File 148-91-11. [Grant - State Funds] Resolution authorizing the Director of Public Works to apply for grant funds in the amount of \$38,760, for street tree planting under the California Wildlife, Coastal and Parkland Conservation Bond Act of 1988 (Proposition 70) and President Bush's 1990 Initiative on America The Beautiful (ATB), to replace a portion of San Francisco's urban forest that was damaged by severe frost during the Winter of 1990-91, known as the "Arctic Express". (Department of Public Works)

ACTION:

DEPARTMENT OF REAL ESTATE

50. File 47-91-8. [Award of Lease] Accepting bid of City Park in response to call for bids for lease of Union Square Parking Garage and awarding said lease to said bidder as the highest and best responsible bidder. (Real Estate Department).

ACTION:

51. File 64-91-11. [Lease of Property] Resolution authorizing the extensions of six certain existing leases for use of real property for various City departments. (Real Estate Department)

ACTION:

52. File 64-91-12. [Lease of Property] Resolution authorizing lease of real property at 948 Pacific Avenue for the Police Department's Senior Escort-Outreach Program. (Real Estate Department)

ACTION:

53. File 64-91-15. [Lease of Property] Resolution authorizing extension of an existing lease at 1975-99 Bryant Street for the Traffic Engineering Division of the Department of Parking and Traffic. (Real Estate Department).

ACTION:

54. File 64-91-16. [Lease of Property] Resolution authorizing extension of 3000 Third Street for the Public Utilities Commission, for storing and maintenance of Municipal Railway buses. (Real Estate Department)

ACTION:

55. File 272-91-4. [Acceptance of Deeds to Real Property] Resolution authorizing the acceptance of deeds to two parcels of land required for the King Boulevard segment of the Embarcadero Surface Roadway Project; companion measure to Files 84-90-5, 84-90-5.1 and 101-90-12. (Real Estate Department).

ACTION:

RECORDER'S OFFICE

56. File 101-90-54 [Government Funding] Ordinance appropriating \$1,325, Recorder's Office, for travel and training; subject of previous budgetary denial". RO #90157. (Controller)

ACTION:

RECREATION AND PARK DEPARTMENT

57. File 101-90-124. [Government Funding] Ordinance appropriating \$7,648,988, Recreation and Park Department - 1987 Park Improvement Bond Fund, for various capital improvement projects, City Attorney, Chief Administrative Officer and Controller. RO #90302. (Controller).

ACTION:

REGISTRAR OF VOTERS

58. File 100-90-1.17. [Release of Funds] Requesting release of reserved funds, Registrar of Voters, in the amount \$4,600, for the purchase of a microfilm camera. (Registrar of Voters)

ACTION:

59. File 97-91-33. [Fees, Registrar of Voters] Ordinance amending Section 8.22 relating to fees charged by the Registrar of Voters. (Supervisor Gonzalez)

ACTION:

SHERIFF'S DEPARTMENT

60. File 152-91-2. [Grant - State Funds] Resolution authorizing the Sheriff's, Adult Probation and Juvenile Probation Departments of the City and County of San Francisco to apply for, accept and expend \$354,000 in funds from the State of California Board of Corrections for the Standards and Training of Local Corrections and Probation Officers Programs; stipulating adherence to standards for recruitment and training established by the Board of Corrections. (Sheriff)

ACTION:

Finance Committee
Board of Supervisors
City Hall, Room 235
San Francisco, CA 94102

25
71
CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

June 10, 1991

TO: Finance Committee

FROM: Budget Analyst - [redacted]

SUBJECT: June 12, 1991 Finance Committee Meeting

DOCUMENTS SECT.

JUN 12 1991

SAN FRANCISCO
PUBLIC LIBRARY

Items 1 and 2 - Files 101-91-1 and 102-91-1

1. These items are the Interim Annual Appropriation Ordinance (File 101-91-1) and Interim Annual Salary Ordinance (File 102-91-1) for Fiscal Year 1991-92.

2. The annual budget process for the City and County requires that the Board of Supervisors approve an Interim Annual Appropriation Ordinance and an Interim Annual Salary Ordinance for fiscal year 1991-92 on or before June 30, 1991. The purpose of these interim ordinances is to provide position and expenditure authorization for the various departments of the City and County during the time that the Board of Supervisors is reviewing the Mayor's recommended budget for 1991-92 which is scheduled to be adopted by the Board of Supervisors on July 22, 1991.

3. The Interim Annual Appropriation Ordinance and Interim Annual Salary Ordinance are based on the 1991-92 proposed budget recommendations of the Mayor. Thus, these ordinances include authorization and funding for all new programs and program revisions which are included in the Mayor's proposed 1991-92 budget. Each new program and program revision will be reviewed in detail during the budget hearings and sessions which have been scheduled by the Finance Committee from June 18 through June 27, 1991.

4. In previous years, the Board of Supervisors has adopted as a general policy that new positions and new programs not be authorized prior to receiving detailed review and approval. This general policy has been implemented by instructing the Controller not to certify the availability of funds for new positions during the interim budget period between July 1 and July 31 and not to certify the availability of funds for new programs or program expansions during this period.

Where an exception is made for new positions, the new positions can be filled effective July 1, if the exception is approved by the Board of Supervisors. Otherwise, the new positions will generally not be filled until on or about August 1.

5. Further, the administrative provisions of the Interim Annual Appropriation Ordinance state that no funds shall be allotted until August 1 for capital improvements and equipment. However, leased equipment is not subject to these instructions. In certain cases, specific exceptions to these general policies have been approved by the Board of Supervisors. Exceptions have been based on such factors as revenue generating potential from new positions and programs and major service deficiencies which would result from delays in filling new positions or starting new programs. Approval of certain equipment could result in cost savings.

6. The following draft amendments to the Administrative Provisions of the Annual Appropriation Ordinance (AAO) have been prepared for 1991-92 by the Controller:

- a. Section 6 would be amended to allow purchases of equipment from "Lease-Purchased Equipment" Accounts instead of only "Equipment" Accounts.
- b. A new Section 8 is added which would require specific appropriation of permanent positions in work order accounts. Present provisions only require specific appropriation of rent, equipment and capital outlay items.
- c. Section 10-4 has been added to allow the Controller to transfer additional appropriations to pay for persons working out of their regular classification if authorized by the Civil Service Commission.
- d. Section 11 would be amended to authorize the Controller to set up special funds and trust funds for grant monies received to insure they are only expended for the purposes for which they were granted. Presently this section relates only to bequests.
- e. Section 11.12 would be restored which would require that all unexpended appropriations from capital funds be placed in a Reserve for Capital Items. This section was temporarily removed from the Annual Appropriation Ordinance on May 1, 1991 to deal with the budgetary shortfall.
- f. Section 21 would be amended to adjust allotment procedures and schedules within the interim budget period as recommended by the Controller.

7. Section 3.2 of the Administrative Code provides that any amendments to the Administrative Provisions of the Annual Salary Ordinance shall be

BOARD OF SUPERVISORS
BUDGET ANALYST

submitted by the Civil Service Commission to the Board of Supervisors. Accordingly, the Civil Service Commission prepared and submitted one proposed amendment to Section 1.34 of the Administrative Provisions of the Annual Salary Ordinance. This amendment would have resulted in an increase in the maximum allowable rate of pay for part-time employees from the current rate of \$707 per month to \$747 per month, representing a \$40 increase per month, or 5.6 percent. This amendment was recommended by the General Manager Personnel based on the average increase granted to Miscellaneous employees as required by Section 8.300(a)(3) of the City's Charter. However, no increase has been included since Salary Standardization increases for Fiscal Year 1991-92 were not approved. Other administrative provisions of the Annual Salary Ordinance include fee schedules for various services. The proposed fee schedules for 1991-92, submitted by the Controller's Office, are attached (Attachment I).

Recommendations

Approve the Interim Annual Appropriation Ordinance and the Interim Annual Salary Ordinance, including the administrative provisions of the Annual Appropriation Ordinance as recommended by the Controller until the Annual Appropriation Ordinance and Annual Salary Ordinance are finally passed by the Board of Supervisors and signed by the Mayor with the following amendments:

- a. That all funding and authorization for new positions and related program costs be reserved during the interim budget period through July 31, subject to the specific exceptions listed in Attachment II.
- b. That funding for capital improvement projects except normal facilities maintenance projects and those capital improvements identified in Attachment III be reserved during the interim budget period.
- c. That funding for items of equipment be reserved during the interim budget period subject to the specific exceptions identified in Attachment IV. That all departments be requested not to lease any new equipment during the interim budget period through a letter to all Departments from the Clerk of the Board.
- d. That funding for all new and expanded programs.



April 22, 1991

The Honorable Board of Supervisors
City and County of San Francisco
Room 235, City Hall
San Francisco, California 94102
ATTN: John L. Taylor
Clerk of the Board

Re: 1991-92 Annual Salary Ordinance

Dear Mr. Taylor:

Attached hereto are schedules of charges and deductions for maintenance under Section 1.3-C of the Annual Salary Ordinance commencing July 1, 1991.

We have included comparative summaries of meal, lodging and laundry costs furnished to employees. Costs were compiled from Departmental data on rates as established in the 1990-91 Annual Salary Ordinance.

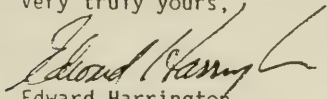
The recommended rates represent the projected amount necessary to recover the cost of meals and services provided to employees by the City and County of San Francisco based on actual costs of food stuffs, labor and overhead incurred by the respective departments in the prior fiscal year and projections for the coming year, 1991-92.

A summary of rates recommended for change includes:

O'Shaughnessy Guest Cottage - decrease meal costs \$1 per day
Hetch Hetchy Boarding House - increase meal costs \$1 per day
Juvenile Court - increase meal costs \$1.60 per meal
S.F. General Hospital - increase meal costs 35¢ to 40¢ per meal
Laguna Honda Hospital - decrease meal costs 20¢ to 30¢ per meal
Camp Mather - increase meal costs 55¢ per meal
Sheriff - decrease meal costs 5¢ per meal

Your approval of these rates is recommended.

Very truly yours,


Edward Harrington
Controller

BY:ac(85GEN37-41)

1. MEALSA. Hetch Hetchy Boarding House
(except O'Shaughnessy Guest
Cottage)

| | 1990-91 ESTABLISHED RATE | 1991-92 RECOMMENDED RATE |
|---------------------|--------------------------------|--------------------------------|
| Breakfast, per meal | \$ 4.00 | \$ 4.00 |
| Lunch, per meal | 8.00 | 9.00 |
| Dinner, per meal | 13.00 | 14.00 |

B. O'Shaughnessy Guest Cottage
and Bunk House

| | | |
|---------------------|---------|---------|
| Breakfast, per meal | \$13.00 | \$13.00 |
| Lunch, per meal | 19.00 | 18.00 |
| Dinner, per meal | 25.00 | 25.00 |
| Room, Cottage | 27.00 | 27.00 |
| Room, Bunk house | 16.00 | 16.00 |

C. Department of Public Health

| | | |
|--------------------------------|---------|---------|
| Breakfast, per meal | | |
| Laguna Honda Hospital | \$ 4.70 | \$ 4.50 |
| San Francisco General Hospital | 3.95 | 4.30 |

| | | |
|--------------------------------|------|------|
| Lunch, per meal | | |
| Laguna Honda Hospital | 5.90 | 5.60 |
| San Francisco General Hospital | 6.30 | 6.70 |

| | | |
|--------------------------------|------|------|
| Dinner, per meal | | |
| Laguna Honda Hospital | 5.45 | 5.15 |
| San Francisco General Hospital | 6.90 | 7.30 |

D. Juvenile Court

| | | |
|----------------------------|---------|---------|
| All Institutions, per meal | \$ 3.90 | \$ 5.50 |
|----------------------------|---------|---------|

E. Recreation and Park - Camp Mather

| | | |
|----------|---------|---------|
| Per meal | \$ 3.85 | \$ 4.40 |
|----------|---------|---------|

F. Sheriff

| | | |
|---------------------|---------|---------|
| All Jails, per meal | \$ 1.25 | \$ 1.20 |
|---------------------|---------|---------|

1990-91
ESTABLISHED
RATE1991-92
RECOMMENDED
RATE2. LAUNDRY

(With the exception of free
laundering of uniforms for interns,
residents, nurses, kitchen helpers
and other employees.) Per pound

\$.44

\$.46

3. ROOM

San Francisco General Hospital (With the
exception of free rooms furnished to interns
and residents.)

Per bi-weekly pay period

\$175.00

\$175.00

Per person per night

\$ 17.50

\$ 17.50

HOUSE OR APARTMENT

Unless otherwise specified, lodging for all facilities except Hetch
Hetchy Project, \$50.00 per room per month, or as established by the
Director of Property on the request of the Department Head.

| BOARD - COST PER MEAL (SEE NOTE) | ACTUAL COST <u>7-1-90 - 12-31-90</u> | ESTIMATED COST <u>7-1-91 - 6-30-92</u> |
|---|---|---|
| Hetch Hetchy Boarding House (except O'Shaughnessy Guest Cottage) | \$11.25 | \$ 8.99 |
| O'Shaughnessy Guest Cottage | 17.00 | 16.00 |
| Other Departments and Institutions | | |
| Department of Public Health | | |
| Laguna Honda Hospital | | |
| Breakfast | \$ 4.13 | \$ 4.47 |
| Lunch | 5.17 | 5.60 |
| Dinner | 4.74 | 5.14 |
| Average | 4.80 | 5.20 |
| San Francisco General Hospital | | |
| Breakfast | \$ 4.29 | \$ 4.29 |
| Lunch | 6.68 | 6.68 |
| Dinner | 7.30 | 7.30 |
| Average | 6.09 | 6.09 |
| Juvenile Court | | |
| Log Cabin Ranch School | \$ 5.65 | \$ 5.62 |
| Juvenile Hall | | |
| Average | \$ 5.49 | \$ 5.37 |
| Average Cost per Meal- Juvenile Court | \$ 5.57 | \$ 5.50 |

| | <u>ACTUAL COST</u> <u>7-1-90 - 12-31-90</u> | <u>ESTIMATED COST</u> <u>7-1-91 - 6-30-92</u> |
|---|--|--|
| Recreation and Park | | |
| Camp Mather Average | \$ 3.87 | \$ 4.42 |
| Sheriff | | |
| All Jails Average | \$ 1.14 | \$ 1.20 |
| <u>LAUNDRY</u> | | |
| San Francisco General Hospital Unit Cost per pound | \$.46 | \$.46 |
| <u>LODGING</u> | | |
| San Francisco General Hospital Room - per person per month | \$361.00 | \$361.00 |

Note: Sale of meals by employers to employees are subject to State sales tax. Thus, meals sold to employees by the City and County are subject to 7% sales tax. The meal cost figures and 1990-91 Annual Salary Ordinance rates stated in the schedules do not include any provision for 7% sales tax payable by the City to the State.

BY:ac(85GEN37-41)

**RECOMMENDATIONS
BY THE BUDGET ANALYST
ON THE INTERIM BUDGET EFFECTIVE JULY 1, 1991**

**Page No./
(Index Code)**

RECREATION AND PARK

001 Permanent Salaries

| | | |
|--------------------------------------|--------------------------------|----------|
| 1576 and 1601 (368738 and 375899) | (1) 1842R Management Assistant | \$38,859 |
|--------------------------------------|--------------------------------|----------|

This position is currently located in the Administration Division, funded through the General Fund. The proposed change, to be effective July 1, 1991, would transfer this position to the Planning and Development Division, funded by the Open Space Fund.

| | | |
|-------------------------------------|-------------------------------|----------|
| 1568 and 1596 (620377 and 62017) | (1) 3284R Recreation Director | \$27,196 |
|-------------------------------------|-------------------------------|----------|

This position is currently located in the Recreation Division, funded through the General Fund. The proposed change would transfer this position to the Park Division to staff Kezar Stadium, funded through the Candlestick Park Fund.

| | | |
|--------------------------------------|--|-----------|
| 1579 and 1596 (620377 and 620179) | (9) 3417 R Gardeners | \$331,771 |
| | (1) 3419 R Municipal Stadium Groundskeeper | 42,601 |
| | (1) 3422 R Park Section Supervisor | 44,697 |
| | (1) 3466 R Asst. Superintendent of Parks & Squares | 62,566 |

These positions are currently located in the Park Division, funded through the General Fund. The proposed change would fund these positions through the Candlestick Park Fund.

**BOARD OF SUPERVISORS
BUDGET ANALYST**

**RECOMMENDATIONS
BY THE BUDGET ANALYST
ON THE INTERIM BUDGET EFFECTIVE JULY 1, 1991**

**Page No./
(Index Code)**

003 Craft Salaries

| | | |
|--------------------------------------|-----------------------|----------|
| 1580 and 1596 (620377 and 620179) | (3) 2708 R Custodians | \$78,404 |
|--------------------------------------|-----------------------|----------|

| | | |
|--------------------------------------|----------------------------|----------|
| 1581 and 1596 (620377 and 620179) | (1) 7514 R General Laborer | \$35,842 |
|--------------------------------------|----------------------------|----------|

These positions are currently located in the Park Division, funded through the General Fund. The proposed change would fund these craft positions through the Candlestick Park Fund.

**Budget Analyst
Recommendation:**

Approve the proposed reassignment of these existing positions in the Interim Budget to be effective July 1, 1991. These positions are not new positions but rather are reassignments of existing positions which would result in General Fund savings.

**RECOMMENDATIONS
BY THE BUDGET ANALYST
ON THE INTERIM BUDGET EFFECTIVE JULY 1, 1991**

**Page No./
(Index Code)**

CITY PLANNING

001 Permanent Salaries

| | | | | |
|-----------|-----|--------|------------------------------------|----------|
| 1898-1899 | (1) | 1408 N | Principal Clerk | \$30,798 |
| (331546) | (1) | 1410N | Chief Clerk | 36,227 |
| | (2) | 1426N | Senior Clerk Typist | 50,895 |
| | (1) | 1720N | Data Entry Clerk | 23,151 |
| | (1) | 1811N | MIS Specialist II | 31,085 |
| | (1) | 5277N | Planner I | 29,075 |
| | (3) | 5278N | Planner II | 115,650 |
| | (1) | 5280L | Planner III | 50,530 |
| | (1) | 5280N | Planner III | 45,832 |
| | (1) | 5292N | Planner III - Zoning | 45,832 |
| | (1) | 5296N | Planner IV - Urban Systems Analyst | 54,392 |
| | (2) | 5298N | Planner III - Environmental Review | 91,663 |
| | (1) | 5299N | Planner IV - Environmental Review | 59,952 |

These 17 Planning Department positions are being proposed for the 1991-92 Interim Budget to coincide with the increased permit fee and computer surcharge revenues that become effective July 1, 1991 with the recently approved fee legislation (Files 97-91-2 and 115-91-1). Of the above listed 17 positions, 11 positions are intended to expedite permit processing and environmental review services and one position is a Landmarks Planner. Of the remaining five positions, four are proposed to operate and maintain the computer system and one Planner III would be used to rewrite the City's Planning Code.

**BOARD OF SUPERVISORS
BUDGET ANALYST**

**RECOMMENDATIONS
BY THE BUDGET ANALYST
ON THE INTERIM BUDGET EFFECTIVE JULY 1, 1991**

Page No./
(Index Code)

**Budget Analyst
Recommendation:**

The Budget Analyst recommends the deletion of (1) 5278N Planner II position, which is designated as a Landmarks Planner. The proposed Landmarks Planner would not be directly responsible for expediting permit processing. Furthermore, the elimination of this position would assist in recovering sufficient revenues for the Department from the proposed new fees to offset the proposed new positions during the next two and a half years.

In addition, the Department of City Planning intends to fill five of the requested 17 positions with existing staff, whose current positions will be eliminated as of August 1, 1991. Therefore, the following five positions would not be filled until August 1, 1991 and should not be approved in the Interim Budget:

- (1) 1426N Senior Clerk Typist
- (1) 5278N Planner II
- (1) 5280N Planner III
- (1) 5280L Planner III
- (1) 5292N Planner III - Zoning

Therefore the Budget Analyst recommends that the Board of Supervisors not approve these six positions during the Interim Budget. The remaining 11 positions are recommended for approval as of July 1, 1991.

**Capital Improvements Recommended
by the Budget Analyst
for Authorization During the Interim Budget
Period Effective July 1, 1991**

**Page No./
(Project No.)**

JUVENILE COURT

2116
(35801)

Log Cabin Ranch - Sewage Treatment Plant \$391,000

The Capital Program includes an amount of \$1,254,100 for improvements to the Sewage Treatment Plant. The Capital Improvements Advisory Committee (CIAC) recommends that \$391,000 be added to the interim budget to perform those emergency repairs needed to avoid sanctions by the Regional Water Quality Control Board. (See Item 7 - File 28-91-8 a resolution to approve the emergency repairs for the Juvenile Probation Department.) The Controller reports that funds for this project can be certified from the General Fund Reserve in the Mayor's proposed fiscal year 1991-92 budget should the Board approve the addition of this project to the Mayor's proposed interim budget.

**Budget Analyst's
Recommendation:**

Approve the addition of this project based on the CIAC recommendation.

**BOARD OF SUPERVISORS
BUDGET ANALYST**

**Capital Improvements Recommended
by the Budget Analyst
for Authorization During the Interim Budget
Period Effective July 1, 1991**

Page No./
(Project No.)

HETCH HETCHY

2134
(76201)

San Joaquin Pipeline

\$4,230,000

This project is to remove the rapidly deteriorating interim cement mortar lining and install a new 1/2-inch-thick cement mortar lining on the interior surface of the 61-inch-diameter pipe for an estimated fifteen miles.

Interim funding is needed because Hetch Hetchy plans to complete the construction of this pipeline by the end of August.

**Budget Analyst's
Recommendation:**

Approve the project based on operational needs for water and power generation.

**BOARD OF SUPERVISORS
BUDGET ANALYST**

**Capital Improvements Recommended
by the Budget Analyst
for Authorization During the Interim Budget
Period Effective July 1, 1991**

**Page No./
(Project No.)**

MUNICIPAL RAILWAY

| | | |
|-----------------|--|-------------|
| 2132 (72501) | <u>Metro Subway Signal Improvements</u> MUNI expects to award the contract to install the signal improvements in July. MUNI has requested an interim exception to allow the awarding of the contract in July. | \$2,940,000 |
| (72801) | <u>MUNI Metro Extension to Sixth Street</u> MUNI reports that a contractor is presently conducting design work on the proposed extension. MUNI has requested an interim exception to allow the contractor to continue work during the interim budget period. | \$2,500,000 |
| (72901) | <u>MUNI-Woods Annex Land Purchase</u> The capital program includes \$5,500,000 for the acquisition of property. However, only funding in the amount of \$500,000 is actually needed during the interim budget for anticipated expenditures for a functional analysis of the land needed for the full development of the site. | \$5,500,000 |

**Budget Analyst's
Recommendation:**

Approve the amounts of \$2,940,000 for MUNI Subway Signal Improvements and \$2,500,000 for design of the MUNI Metro extension to Sixth Street. Approve the reduced amount of \$500,000 for the functional analysis of the MUNI-Woods Annex land purchase.

**BOARD OF SUPERVISORS
BUDGET ANALYST**

**Equipment Recommended
by the Budget Analyst
for Authorization During the Interim Budget
Period Effective July 1, 1991**

Page No./
(Index Code)

PUBLIC LIBRARY

220 Equipment

1485
(615005)

(1) 41017Z Security System

\$12,100

The Public Library requests this new security system to permit all videos, audio cassettes and sheet music, together with the Department's books and periodicals, to be circulated from the front desk in the Main Library, which will result in the elimination of additional personnel.

Budget Analyst

Recommendation: Approve the requested new security system as of July 1, 1991 in order to consolidate circulation functions at the Main Library, for an increased savings in personnel costs in the Library's Video Department.

BOARD OF SUPERVISORS
BUDGET ANALYST

**Equipment Recommended
by the Budget Analyst
for Authorization During the Interim Budget
Period Effective July 1, 1991**

**Page No./
(Index Code)**

TREASURER - TAX COLLECTOR

| | | |
|------------------|----------------------------|----------|
| 1719 (558049) | Equipment - Lease Purchase | \$91,600 |
|------------------|----------------------------|----------|

The Business Tax Computer System is scheduled to go into test mode in September 1991. An interim exception is recommended so that the equipment can be ordered in July in order to have it in place by the time the system is put into test mode. Any delay in funding may result in both a loss in business tax revenue as well as costly budget overruns.

**Budget Analyst's
Recommendation:**

Approve the proposed interim exception based on completing the project on schedule and based on the increased revenues anticipated from installation of the system.

**BOARD OF SUPERVISORS
BUDGET ANALYST**

Item 3 - File 161-91-3

Department: San Francisco Redevelopment Agency (SFRA)

Item: Resolution approving an interim budget of the San Francisco Redevelopment Agency of the City and County of San Francisco for Fiscal Year 1991-92.

Amount: \$24,196,000

| | | |
|-------------------------|---------------------------------|----------------|
| Source of Funds: | Rentals and Leases | \$423,000 |
| | Prior Year Earnings and Savings | 9,104,000 |
| | Debt Proceeds | 4,650,000 |
| | Developer Contributions | <u>125,000</u> |
| | Total | \$14,302,000 |

Note: The revenue total of \$14,302,000 is \$9,894,000 less than \$24,196,000 interim budget expenditures described below. The \$9,894,000 difference (\$1,946,000 added revenue and \$7,948,000 reduced expenditures) is identified in Comment 2 of this item.

Description: The San Francisco Redevelopment Agency (SFRA) has requested an interim budget for the two month period July 1991 through August 1991 totalling \$24,196,000 as follows:

| | |
|----------------------------------|-------------------|
| Personnel Costs | \$1,312,000 |
| Administrative Overhead | 295,000 |
| Capital Project Activities: | |
| Yerba Buena Center | \$3,296,000 |
| Rincon Point-South Beach | 480,000 |
| Hunters Point NDP | 620,000 |
| India Basin Industrial Park | 5,000 |
| Western Addition A-2 | 1,466,000 |
| South Bayshore | 80,000 |
| South of Market | 1,478,000 |
| Affordable Housing (City-wide) | 5,800,000 |
| South Beach Harbor | 7,618,000 |
| Economic Development (City-wide) | <u>1,746,000</u> |
| Subtotal | <u>22,589,000</u> |
| Total Interim Budget | \$24,196,000 |

The SFRA has indicated that the current existing level of the FY 1990-91 personnel and administrative costs would be extended during the interim budget period.

In addition, the SFRA requests approval for Capital Expenditures totalling \$22,589,000 which includes planning,

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
June 12, 1991

legal services, acquisition, rehabilitation, relocation, maintenance, disposition, affordable housing, economic development and other improvements in the SFRA's various specific projects.

Comments:

1. During the current fiscal year, the SFRA has budget authority for 113 full time equivalent (FTE) employees. At this time the position, Deputy Executive Director, Development remains vacant and the Senior Planner position was filled effective January 14, 1991.

2. The SFRA has amended its interim budget proposal (see attachment) in order for proposed revenues to equal proposed expenditures for the two month period, July 1991 through August 1991 as follows:

| <u>Description</u> | <u>Original Budget</u> | <u>Modification</u> | <u>Revised Budget</u> |
|--|----------------------------|---------------------|---------------------------|
| Revenues: | | | |
| Rentals and Leases | \$ 423,000 | \$ 0 | \$ 423,000 |
| Prior Year Earnings/Savings | 9,104,000 | 0 | 9,104,000 |
| Debt Proceeds | 4,650,000 | (950,000) | 3,700,000 |
| Developer Contributions | 125,000 | 0 | 125,000 |
| Tax Increment 1989/90 and 1990/91 Bonds | <u>0</u> | <u>2,896,000</u> | <u>2,896,000</u> |
| Total Revenues | \$14,302,000 | \$1,946,000 | \$16,248,000 |
| Project Costs: | | | |
| Personnel Costs | \$1,312,000 | \$ 0 | \$1,312,000 |
| Administrative Costs | <u>295,000</u> | <u>0</u> | <u>295,000</u> |
| Subtotal | \$1,607,000 | \$ 0 | \$1,607,000 |
| Yerba Buena Center | \$3,296,000 | (\$598,000) | \$2,698,000 |
| Rincon Point-South Beach | 480,000 | 0 | 480,000 |
| Hunters Point NDP | 620,000 | 0 | 620,000 |
| India Basin | 5,000 | 0 | 5,000 |
| Western Addition A-2 | 1,466,000 | 0 | 1,466,000 |
| South Bayshore | 80,000 | 0 | 80,000 |
| South of Market | 1,478,000 | 0 | 1,478,000 |
| Affordable Housing | 5,800,000 | (2,800,000) | 3,000,000 |
| South Beach Harbor | 7,618,000 | (4,550,000) | 3,068,000 |
| Economic Development | <u>1,746,000</u> | <u>0</u> | <u>1,746,000</u> |
| Subtotal | \$22,589,000 | (\$7,948,000) | \$14,641,000 |
| Total | \$24,196,000 | (\$7,948,000) | \$16,248,000 |

BOARD OF SUPERVISORS
BUDGET ANALYST

3. On July 25, 1990, the Board of Supervisors approved the issuance of \$23.0 million in tax increment bonds to finance current FY 1990-91 redevelopment activities (Resolution No. 603-90). Of this total, \$13.7 million is to fund housing affordability programs and \$9.3 million is to fund on-going SFRA projects non-housing development activities. The Board of Supervisors also authorized the execution of an Indebtedness Limitation Agreement which approves the use of up to \$2.2 million annually or \$66 million over 30 years to service the annual debt charges required by the \$23.0 million in bonds needed to fund approved SFRA activities in FY 1990-91.

4. The Mayor's recommended SFRA budget for FY 1991-92 totals \$132,160,000 of which \$109,788,000 would be from anticipated revenues, including property sales, rentals, prior year earnings, debt proceeds, tax increment proceeds, YBC reserve funds, developer contributions and approved tax increments from prior years. The difference of \$22,372,000 would be provided from proceeds of a new 30 year tax increment bond if approved by the Board of Supervisors. If approved, the use of up to \$2,208,000 annually or \$66,240,000 over 30 years in tax increment revenue would be needed to service the annual debt charges of the proposed bond.

5. A total of \$7,862,000 in tax increment proceeds from prior years and proposed tax increment proceeds for FY 1991-92 would be authorized to fund SFRA project activities during FY 1991-92 as follows:

1991-92 Proposed SFRA Tax Increment (TI) Revenue

| | |
|-----------------------------------|------------------|
| 1989-90 Tax Increment | \$3,256,000 |
| 1990-91 Tax Increment | 2,263,000 |
| South Beach Harbor Tax Increment | <u>135,000</u> |
| Total Prior Year TI Revenue | \$5,654,000 |
| 1991-92 Proposed Tax Increment | <u>2,208,000</u> |
| Total 1991-92 TI Revenue Proposal | \$7,862,000 |

6. New tax increment bonds to support the SFRA 1991-92 budget are still subject to the approval of the Board of Supervisors and will be submitted as forthcoming separate legislation.

7. The SFRA advises that the amended \$16,248,000 interim budget would provide personnel, administrative overhead, debt service and capital project costs for the two month period of July through August 1991 as a continuation of the previous FY 1990-91 budget and the carrying out of project goals as approved by the Board of Supervisors.

8. According to Mr. Robert Gamble of the SFRA, the SFRA has terminated work on two designated redevelopment survey areas, Fisherman's Wharf (Resolution No. 1095-87) and Bernal Heights (Resolution No. 906-88) at the request of the Mayor's Office. Work on these survey areas had been budgeted at \$4,266,000 (\$3,511,000 for Fisherman's Wharf and \$755,000 for Bernal Heights) during the current year. Mr. Gamble advises that continued planning for Fisherman's Wharf and Bernal Heights have been transferred to the Port Commission and the Department of City Planning respectively.

9. The Budget Analyst, in collaborative planning with the Controller who has already begun a management audit of the Redevelopment Agency, will begin a management audit of this agency after the fiscal year 1991-92 budget review.

Recommendation: Reduce the proposed interim budget of the San Francisco Redevelopment Agency by a total of \$7,948,000 from \$24,196,000 to \$16,248,000 pending review by the Board of Supervisors of the total 1991-92 SFRA budget. As previously noted, approval of this proposed legislation permits expenditures for July and August of 1991 only at the existing 1990-91 level of service. It is also recommended that in the future the SFRA interim budgets be for one month rather than two months to equal the same length of time for City department interim budgets.

REVISED Exhibit A

San Francisco Redevelopment Agency
1991 Fiscal Year 1991/92 Interim Budget Summary 1111
(\$'s in thousands)

| Line # | YBC | RP-SB | Hunters Point | India Basin | MH-2 | South Bayshore | South of Market | Affordable Housing | South B. Harbor | CMS | Economic Develop. | Consolidated Agency Wide |
|---|-------|-------|---------------|-------------|-------|----------------|-----------------|--------------------|-----------------|-----|-------------------|--------------------------|
| Project Revenues: | | | | | | | | | | | | |
| 1 Property Sales | | | | | 24 | | | | 330 | | | 423 |
| 2 Rentals/Leases | 69 | | | | | | | | 4,400 | | | 9,104 |
| 3 Prior Year Earnings/Savings | | 1,500 | | | | | | | 2,200 | | | 3,700 |
| 6 Debt Proceeds | | | | | 25 | | | | | | | 125 |
| 7 Developer Contributions | 100 | | 106 | | 1,019 | | | | | | | 2,896 |
| 8 Tax Increment 1989/90 & 1990/91 Bonds | 1,582 | 190 | | | | | | | | | | |
| 10 Total Revenues | 1,751 | 1,690 | 106 | 0 | 1,068 | 0 | 0 | 0 | 6,930 | 0 | 4,704 | 16,248 |
| Project Costs: | | | | | | | | | | | | |
| 13 Legal | 150 | | 20 | 5 | | | | 50 | | | | 225 |
| 14 Plan/Econ Studies & Sundry Items | 63 | 29 | 39 | | 90 | 55 | 83 | | | | 175 | 354 |
| 15 Acquisition | | | 150 | | | 0 | 1,000 | | | | | 1,150 |
| 16 Public Improvements | | | 10 | | 121 | 25 | 100 | | 500 | | | 756 |
| 17 Architect. & Eng. Design & Review | 529 | 100 | | | 30 | 40 | | | | | | 679 |
| 18 Construction Monitoring | 271 | | | | | | | | | | | 271 |
| 19 Relocation | | 100 | | | | | 25 | | | | | 138 |
| 20 Property Maintenance | | 62 | 9 | | 13 | | 25 | | 452 | | | 566 |
| 22 Housing Assistance | | | | | 15 | | 25 | | | | | 700 |
| 23 City-Wide Housing | 100 | | 266 | | 179 | | 155 | | | | | 3,000 |
| 24 Employer/Business Development | | | | | | | | 3,000 | | | 1,046 | 1,046 |
| 25 Small Business Loan Program | | | | | | | | | | | 525 | 525 |
| 26 Debt Service | | | | | | | | | | | | |
| 27 Restricted Funds | 1,582 | 190 | 106 | | 1,019 | | | | 2,117 | | | 0 |
| 28 Subtotal/Work Program Hard Costs | 2,698 | 480 | 420 | 5 | 1,467 | 80 | 1,478 | 3,000 | 3,069 | 0 | 1,746 | 14,641 |
| 29 Personnel Costs | 510 | 175 | 95 | 13 | 242 | 95 | 123 | 108 | 66 | 47 | 38 | 1,312 |
| 30 Administrative Costs | 71 | 41 | 22 | 5 | 55 | 22 | 28 | 25 | 5 | 12 | 9 | 295 |
| 32 Grand Total Project Costs | 3,079 | 696 | 737 | 23 | 1,784 | 197 | 1,629 | 3,133 | 3,140 | 59 | 1,793 | 16,248 |

Item 4 - File 57-91-2

Department: Chief Administrative Officer, Solid Waste Management Program

Item: Resolution authorizing the Chief Administrative Officer (CAO) to accept and expend \$2,487,833 in funds from the Sanitary Fill Company to be used for the Solid Waste Management Program projects, and placing \$840,830 on reserve pending approval of these expenditures under the Refuse and Disposal Rate Review.

Amount: \$2,487,833

Source of Funds: Refuse Collection and Disposal fees impound account.

Description: The Sanitary Fill Company, a partnership of Sunset Scavenger Company and Golden Gate Disposal Company, contracts to operate the City's refuse collection center and to haul refuse to the landfill site in Altamont. The Refuse Collection and Disposal Rate Board requires that the Sanitary Fill Company set aside a certain amount each year from the refuse collection fees charged to San Francisco residents and businesses in an impound account. This set-aside of fees is calculated based on the number of tons of solid waste collected by the refuse contractors. A portion of the impound account is used to finance the City's Solid Waste Management Program budget plus other landfill related costs. This year, the set-aside amount is \$2,487,833, an increase of \$829,957 or 50 percent over the 1990-91 set-aside of \$1,657,876 excluding carryover funds.

The Solid Waste Management Program has also requested that \$840,830 be placed on reserve pending approval by the Rate Board to be used for the Solid Waste Management Program.

The 1991-92 funding of \$2,487,833 would be supplemented with \$93,730 in carryover funds from 1990-91. The carryover funds are the result of various projects that the Solid Waste Management Program has not yet completed. The total 1991-92 budget for the Solid Waste Management Program is \$2,581,563 as shown below:

BOARD OF SUPERVISORS
BUDGET ANALYST

| | |
|---------------------------------------|----------------|
| Solid Waste Management Administration | \$449,547 |
| Recycling Program | 1,249,808 |
| Solid Waste Management Planning | 175,768 |
| Hazardous Waste Management Programs | <u>706,440</u> |
| Total | \$2,581,563 |

A comparison of the 1990-91 and 1991-92 budgets for this Program is attached.

Goals of the four operating programs within the Solid Waste Management Program and descriptions of proposed program changes for 1991-92 are as follows:

Solid Waste Management Administration

The Solid Waste Management Administration is responsible for implementing State requirements resulting from the passage of AB 939, which requires counties to monitor waste streams as well as to reduce waste through recycling and source reduction programs. AB 939 mandates a recycling and source reduction goal of 25 percent of all waste by 1995 and 50 percent of all waste by the year 2000. Solid Waste Management Administration also performs overall administrative functions for the Solid Waste Management Program. Major program changes proposed for 1991-92 are as follows:

1. 0.5 FTE 9766 Asst to CAO VII- Financial Analyst \$36,333
The staffing level remains the same as FY 1990-91, however, in that fiscal year, part of this position was funded with surplus funds.

| | |
|--|-----------------|
| Total proposed 1991-92 increases for the Solid Waste Management Administration | <u>\$36,333</u> |
|--|-----------------|

Recycling Program

The goal of the Recycling Program is to reduce the amount of garbage generated in the City which will have to be disposed of in the landfill. Programs include waste reduction and reuse, as well as recycling. The City's goals, as adopted in the County Solid Waste Management Plan and as required by AB 939, are to recycle 25 percent of the solid waste generated by 1995 and 50 percent by 2000. Activities undertaken to achieve these goals include increasing awareness of existing programs, and planning and implementing new programs where needed.

The Solid Waste Management Program has proposed the following major program changes for the Recycling Program:

1. Student Handbook \$2,500
A student recycling handbook would be completed this year using the City's Reproduction Bureau at an estimated cost of \$500. Copies would be free of charge through the field trip program for school age children. \$2,000 would be used to hire a graphic designer to design and typeset the handbook.
2. Video 12,000
A contractor will be hired to create a children's video demonstrating garbage problems and solutions in San Francisco.
3. Direct Mail- Community Outreach 98,000
Now that curbside recycling is Citywide, direct mail would be used to remind City residents of the correct way to recycle and to provide feedback on the progress of the program. The cost of postage for two direct mailings will come from the City's mail room bulk rate permit (2 mailings at \$35,000 each). In addition, a mail house will be utilized to prepare the two direct mail pieces for mailing at a cost of \$28,000.
4. Graphic Design 30,000
Graphic Designers are needed on an on-going basis to develop promotional materials such as posters, signs, flyers, brochures and booklets to promote the various recycling programs.
4. University Research 10,000
Grants would be provided to one or two universities in San Francisco to implement recycling, waste reduction, or research projects, such as model campus waste audit system, composting program or source reduction program.
5. Interns 70,000
The Recycling Program uses interns to assist staff in development and implementation of new programs. The equivalent of three FTE interns would be hired.

BOARD OF SUPERVISORS
BUDGET ANALYST

6. SF Conservation Corps. \$80,000
The San Francisco Conservation Corps, through a matching \$50,000 State grant, has been involved with a variety of recycling projects, which include Corps members as interns to local nonprofit recycling centers (\$50,000). The \$30,000 would fund for San Francisco Alive which works on litter and graffiti abatement and removal programs which relate to recycling.
7. Apartment Composting 5,000
A pilot program would be implemented to determine the value of implementing a Citywide apartment building composting program.
8. Scroungers Center for Reusable Art Parts (SCRAP) 15,000
Certain materials that would otherwise be disposed of would be brought to this center, and then given or sold to schools and artists.
9. Goodwill Pilot Project 7,000
Goodwill Industries would be granted funding for a pilot curbside clothing recycling project. Six thousand homes would be able to place old reuseable clothing in bags at the curb on their recycling day for collection by goodwill.
10. Compost Bins 35,000
To increase the level of composting at home, bins would be designed and provided at a reduced cost to San Francisco residents.
11. Baler 12,000
A baler would be provided for City Hall to simplify the storing and recycling of cardboard.
12. 1 FTE 9761 CAO II-Special Projects Coordinator 37,662
The proposed position would implement and administer the additional requirements of AB 939 including liaison work with community recyclers, tracking the City's recycling progress, and contract management and oversees development of composting programs.

13. Commercial Recycling Coordinator (9762, CAO III) \$43,885
The proposed position would develop and implement programs for recycling in the commercial/small business sector. Solid Waste Management staff believe that the commercial/small business sector will need to increase its recycling efforts if the City is to meet the goals of AB 939.

| | |
|--|-----------------|
| Total Proposed 1991-92 increases for the Recycling Program | \$458,047 |
| Minus Proposed 1991-92 decreases | <u>-108,539</u> |
| Net Proposed increases | \$349,508 |

Solid Waste Management Planning

The purpose of the Solid Waste Management Planning Program is to identify and implement long range management strategies for the City's solid waste stream and to assist in the analysis of rates for solid waste collection and disposal so as to ensure efficient, reliable and cost effective services to San Francisco's rate payers. The Solid Waste Management Program proposes the following new position:

| | |
|---|--------|
| 1 FTE 9764 Asst to CAO V-Assistant to Program Manager | 54,156 |
|---|--------|

| | |
|--|----------------|
| Total proposed 1991-92 increases for the Solid Waste Management Planning Program | \$54,156 |
| Minus Proposed 1991-92 decreases | <u>-28,387</u> |
| Net Proposed increases | \$25,769 |

BOARD OF SUPERVISORS
BUDGET ANALYST

Hazardous Waste Management Programs

The goal of the Hazardous Waste Management Programs is to keep hazardous waste out of the San Francisco municipal solid waste stream. One of these programs, the Waste Acceptance Control Program (WACP), is specifically required under an agreement that San Francisco has with the Altamont Landfill in the Alameda County, for the disposal of San Francisco's municipal waste. Other Hazardous Waste Reduction Programs will significantly complement the WACP efforts by encouraging toxic waste reduction and proper management by waste generators, including small businesses and households. These programs are incorporated in San Francisco's County Hazardous Waste Management Plan. Such a plan is required for all counties under State legislation, AB 2948 (Tanner). The purpose of the plan is to explain how each county will manage and reduce its hazardous waste to the year 2000. The implementation of the programs below will serve to advance Solid Waste Management staff's ongoing efforts to minimize the amount of hazardous waste which enters the waste stream.

Major program changes for the Hazardous Waste Management Program for 1991-92 are:

1. Milk Runs \$150,000
Milk runs would provide a hazardous waste pickup and disposal service for small businesses. Because there are no in-county hazardous waste treatment and disposal facilities, it is expensive for small businesses to get rid of their waste. Some surveys have shown that some businesses are prone to illegal waste disposal. The proposed milk run project would subsidize the pickup of hazardous waste from small businesses.
2. Used Oil Tanks 10,000
Funds would be used to purchase and install two 500 gallon above ground used oil tanks for two recycling centers to receive used oil from the public.
3. University Research & Demonstration Project 30,000
Funds would be used to provide grants to a university to evaluate application of waste reduction technologies at City located businesses to reduce toxic discharges to land and water.

BOARD OF SUPERVISORS
BUDGET ANALYST

| | |
|--|-----------------|
| 4. Trade Association Experts for Significant Industrial Users | \$50,000 |
| The purpose of this program would be to identify waste reduction options for some of the 50 industrial dischargers, as identified by DPW's Clean Water program, so that they will reduce the amount of their toxic discharges to the City's sewers and the amount of hazardous waste they will have to dispose to landfills. | |
| 5. Hazardous Waste Reduction- Public Sector Project Manager (9764, CAO V) | 54,156 |
| The proposed position would provide technical assistance for waste reduction and toxic use reduction advice to City Departments. | |
| Total proposed 1991-92 increases for the Hazardous Waste Management Program | \$294,156 |
| Minus Proposed 1991-92 decreases | <u>-196,720</u> |
| Net Proposed increases | <u>\$97,436</u> |

Comments:

1. A total of \$949,500 of the proposed 1991-92 budget would be spent for outside consultant services. Because funds totaling \$302,000 have been allocated for consultants not yet selected, the proposed budget funding in the amount of \$302,000 for the following consulting services should be reserved pending selection so that information regarding estimated hours, hourly rates and MBE/WBE allocations can be provided:

Recycling Program

| | |
|---|---------|
| Graphic Design for Student Handbook | \$2,000 |
| Video for Children | 12,000 |
| Public Outreach | 20,000 |
| Graphic Designs Pamphlets, Handouts, etc. | 30,000 |
| Video for the Office | 8,000 |

Hazardous Waste Management Programs

| | |
|---|------------------|
| Milk Runs | \$150,000 |
| University Research & Demonstration project | 30,000 |
| Trade Association Experts | <u>50,000</u> |
| Total | <u>\$302,000</u> |

BOARD OF SUPERVISORS
BUDGET ANALYST

2. The Solid Waste Management Program included salary standardization increases in the proposed budget. However, the 1991-92 Salary Standardization increases were not approved. As a result, the proposed budget should be reduced by \$36,107 as follows:

| <u>Position</u> | <u>Standardized Salary</u> | <u>Unstandardized Salary</u> | <u>Difference</u> |
|---|--------------------------------|----------------------------------|-------------------|
| <u>Solid Waste Administration</u> | | | |
| 9767 Program Manager | \$79,850 | \$75,977 | \$3,873 |
| 9766 Financial Analyst | | | |
| 1498 Supervising Clerk II | 40,106 | 37,230 | 2,876 |
| 1424 Clerk Typist (2 FTE) | 50,652 | 47,160 | 3,492 |
| <u>Recycling Programs</u> | | | |
| 9765 Manager | 64,707 | 61,569 | 3,138 |
| 9762 Outreach Coordinator | 45,945 | 43,717 | 2,228 |
| 9761 Office Recycling Coordinator | 39,581 | 37,662 | 1,919 |
| 9761 School Education Coordinator | 39,581 | 37,662 | 1,919 |
| 9761 Special Projects Coordinator | 39,581 | 37,662 | 1,919 |
| 9762 Commercial Coordinator | 45,945 | 43,885 | 2,060 |
| <u>Solid Waste Management & Planning</u> | | | |
| 9764 Assistant to Program Manager | 56,698 | 54,156 | 2,542 |
| <u>Hazardous Waste Planning</u> | | | |
| 9765 Project Manager | 64,707 | 61,569 | 3,138 |
| 9764 Hazardous Waste Reduction- Commercial | 56,698 | 54,156 | 2,542 |
| 9764 Hazardous Waste Reduction - Public Sector | 56,698 | 54,156 | 2,542 |
| 9761 Information Specialist | <u>39,581</u> | <u>37,662</u> | <u>1,919</u> |
| Total | \$720,330 | \$684,223 | \$36,107 |

BOARD OF SUPERVISORS
BUDGET ANALYST

3. As described above, the Solid Waste Management Program has requested four new positions in its 1991-92 budget. Two of these positions, the Commercial Recycling Coordinator and the Hazardous Waste Reduction - Public Sector Project Manager, were contract positions in the FY 1990-91 budget. Mr. Joseph Johnson of the Solid Waste Management Program reports that Civil Service has reviewed and approved the classification of the four new positions. However, because the four positions are new and represent a new level of service, approval of the new positions is a policy matter for the Board of Supervisors. If the Board of Supervisors chooses to not approve the four new positions, the resolution should be amended to reduce the proposed amount accepted and expended by the CAO by \$237,324 as follows:

| | |
|--|---------------|
| 9761 Special Projects Coordinator | \$37,662 |
| 9762 Commercial Recycling Coordinator | 43,885 |
| 9764 Assistant to Program Manager | 54,156 |
| 9764 Hazardous Waste Reduction- Public Sector Project Manager | 54,156 |
| Fringe Benefits | <u>47,465</u> |
| Total | \$237,324 |

4. The \$840,830 1991-92 funds already reserved under the proposed legislation would be allocated to the following programs:

| | |
|--|----------------|
| Solid Waste Administration | \$25,000 |
| Recycling Programs | 515,830 |
| County Solid Waste Management Planning | 30,000 |
| Hazardous Waste Management Program | <u>270,000</u> |
| Total | \$840,830 |

These reserved funds are included in the proposed 1991-92 Solid Waste budget.

Recommendations: 1. Amend the proposed resolution to: 1) reserve the \$302,000 budgeted for outside consulting services and 2) reduce the proposed budget by \$36,107 which was budgeted to cover salary standardization increases. This would reduce the total request from \$2,487,833 to \$2,451,726.

2. Approval of the four new positions as described above in Comment No. 3 and as described in the Solid Waste Management Program's proposed program changes is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

If the Board of Supervisors chooses to disapprove the four new positions: Amend the resolution to further reduce the proposed amount accepted and expended by the CAO by \$237,324 from \$2,451,726 to \$2,214,402.

3. Approve the proposed resolution as amended.

22-May-91

| OBJECT | WORHPHASE | DESCRIPTION | FY 1990-91 | FY 1991-92 | DIFFERENCE | CARRY FORWARD | TOTAL | PROPOSED 91-92 RESERVES* | EXPLANATION |
|--------|-----------|-------------------------------------|------------|------------|------------|---------------|-----------|--------------------------------|-------------|
| | | SOLID WASTE MANAGEMENT BUDGET | | | | | | | |
| | | Solid Waste Administration | 385,430 | 449,567 | 54,117 | 0 | 449,567 | 25,000 | |
| | | County Solid Waste Mgmt Planning | 150,000 | 1,249,808 | 349,508 | 63,730 | 1,186,078 | 515,000 | |
| | | Household Waste Management Program | 609,004 | 706,460 | 97,456 | 30,000 | 145,769 | 30,000 | |
| | | TOTAL SOLID WASTE MANAGEMENT BUDGET | 2,054,734 | 2,591,563 | 536,829 | 93,730 | 2,487,833 | 640,000 | |

want to be reserved pending resolution of Rate Hearings

-1-

| PROJECT WORKPHASE DESCRIPTION | | FY 1990-91 | FY 1991-92 | DIFFERENCE | CARRY FORWARD | TOTAL | PROPOSED 1991-92 RESOURCES | EXPLANATION |
|-------------------------------|----------------------------------|------------|------------|------------|---------------|---------|----------------------------|---|
| SOLID WASTE ADMINISTRATION | | | | | | | | |
| 01 | SALARIES | | | | | | | |
| | Permanent Salaries | 177,487 | 206,941 | 29,754 | | 206,941 | | |
| | Temporary Salaries | 22,548 | 22,548 | 0 | | 22,548 | | |
| | Fringes | 18,660 | 44,800 | 26,110 | | 44,800 | | |
| | SUBTOTAL | 220,430 | 277,547 | 57,117 | 0 | 277,547 | 0 | |
| 03 | OFFICE SUPPLIES AND EQUIPMENT | | | | | | | |
| | Materials & Supplies | 15,000 | 15,000 | 0 | | 15,000 | | |
| | Equipment/DP-Maintenance | 25,000 | 15,000 | (10,000) | | 15,000 | | New equipment rental and purchase |
| | SUBTOTAL | 40,000 | 30,000 | (10,000) | 0 | 30,000 | 0 | |
| 04 | MATERIALS & SERVICES | | | | | | | |
| | Subscriptions & Printing | 8,000 | 8,000 | 0 | | 8,000 | | |
| | Communications (Phone & Postage) | 12,000 | 10,000 | (2,000) | | 10,000 | | |
| | Office Supplies | 75,000 | 82,000 | 7,000 | | 82,000 | | |
| | Professional Development | 12,000 | 12,000 | 0 | | 12,000 | | |
| | SUBTOTAL | 105,000 | 112,000 | 7,000 | 0 | 112,000 | 0 | One year of rental cost at 1145 Market St |
| 05 | SERVICES OF OTHER DEPARTMENTS | | | | | | | |
| | Reproduction Services | 2,500 | 2,500 | 0 | | 2,500 | | |
| | City Attorney & DPW | 2,500 | 2,500 | 0 | | 2,500 | | |
| | Central Shops & DPW | 2,500 | 2,500 | 0 | | 2,500 | | |
| | SUBTOTAL | 30,000 | 30,000 | 0 | 0 | 30,000 | 25,000 | |
| | SOLID WASTE ADMINISTRATION TOTAL | 395,430 | 449,547 | 54,117 | 0 | 449,547 | 25,000 | |

Amount to be reserved pending resolution of Rate Hearings

22-May-91

SOLID WASTE BUDGET - FY 1991/92

SALARY RECAP

PROJECT WORKPHASE

010

| POSITION | FY 1990-91 | | FY 1991-92 | | DIFFERENCE | | EXPLANATION |
|--|------------|---------|------------|---------|------------|--------|---|
| | # POSITS | BUDGET | # POSITS | BUDGET | # POSITS | BUDGET | |
| SOLID WASTE ADMINISTRATION | | | | | | | |
| 01 PERMANENT SALARIES | | | | | | | |
| 9767 Asst to CAO VIII-Program Manager | 1 | 75,687 | 1 | 79,850 | 0 | 4,163 | 5.5% salary standardization |
| 9766 Asst to CAO VII-Financial Analyst | 1 | 17,512 | 1 | 26,335 | 1 | 18,761 | 5.5% salary standardization transferred from CAO General Office |
| 1628 Supervising Clerk II | 1 | 17,512 | 1 | 17,512 | 0 | 0 | 5.5% salary standardization |
| 1628 Clerk Typist | 2 | 26,989 | 2 | 50,652 | 0 | 3,670 | 5.0% salary standardization/2.5% Pay Equity |
| SUBTOTAL | 4 | 177,187 | 5 | 206,941 | 1 | 29,754 | |
| TEMPORARY SALARIES | | | | | | | |
| 1652 Senior Accountant | 0 | 19,553 | 0 | 20,531 | 0 | 978 | 5.0% salary standardization |
| 9795 Positions not Detailed | 0 | 5,000 | 0 | 5,275 | 0 | 275 | 5.5% salary standardization |
| SUBTOTAL | 0 | 24,553 | 0 | 25,806 | 0 | 1,253 | |
| TOTAL SALARIES | 4 | 201,740 | 5 | 232,746 | 1 | 31,006 | |

Amount to be reserved pending resolution of Rate Hearings

| PROJECT WORKPHASE | DESCRIPTION | FY 1990-91 | | FY 1991-92 | | DIFFERENCE | | CARRY FORWARD | TOTAL NEEDED | PROPOSED 91-92 RESERVES* | | EXPLANATION |
|----------------------------------|------------------------|------------|-----------|------------|---------|------------|--------|---------------|--------------|--------------------------|---------|-------------|
| | | | | | | | | | | | | |
| RECAP OF RECYCLING PROGRAM COSTS | | | | | | | | | | | | |
| | Salaries | 216,000 | 306,278 | | 90,278 | | 63,730 | | 242,548 | | 0 | |
| | School Education | 64,300 | 70,500 | | 6,200 | | 0 | | 70,500 | | 25,500 | |
| | Community Outreach | 125,000 | 226,000 | | 101,000 | | 0 | | 226,000 | | 116,000 | |
| | Development Fund | 50,000 | 60,000 | | 10,000 | | 0 | | 60,000 | | 16,000 | |
| | Program Support | 285,000 | 400,000 | | 115,000 | | 0 | | 400,000 | | 160,000 | |
| | Research & Development | 10,000 | 18,030 | | 8,030 | | 0 | | 18,030 | | 110,630 | |
| | Office Paper Recycling | 50,000 | 58,000 | | 8,000 | | 0 | | 58,000 | | 45,500 | |
| | | 900,300 | 1,249,808 | | 349,508 | | 63,730 | | 1,186,078 | | 515,030 | |
| TOTAL RECYCLING COSTS | | | | | | | | | | | | |

*Amount to be reserved pending resolution of Rate Hearings

22-May-91

| 01 | DESCRIPTION RECYCLING PROGRAMS | FY 1990-91 | FY 1991-92 | DIFFERENCE | CARRY FORWARD | TOTAL | PROPOSED RESERVES* | EXPLANATION |
|----|-----------------------------------|------------|------------|------------|------------------|---------|-----------------------|-------------|
| | | | | | | | | |
| | SALARIES | 209,650 | 275,342 | 66,692 | 63,730 | 211,612 | | |
| | Permanent salaries | 7,350 | 30,936 | 23,586 | | 30,936 | | |
| | Fringe | 210,000 | 306,278 | 90,278 | 63,730 | 242,548 | | |
| | SUBTOTAL | | | | | | 0 | |

to be reserved pending resolution of Rate Hearings

-5-

SALARY REC'D

PROJECT WORKPHASE

020

| POSITION | FY 1990-91 | FY 1991-92 | DIFFERENCE | EXPLANATION |
|--------------------|------------|------------|------------|-------------|
| RECYCLING PROGRAMS | # POSITS | BUDGET | # POSITS | BUDGET |

| | | | | |
|--|---|---------|-----|---------|
| 01 | | | | |
| SALARIES | | | | |
| 9765 Asst to CAO VI-Manager | 1 | 61,334 | 1 | 64,707 |
| 9762 Asst to CAO III-Outreach Coord | 1 | 43,350 | 1 | 42,945 |
| 9761 Asst to CAO II-Office Recycling Coord | 1 | 37,518 | 1 | 39,581 |
| 9761 Asst to CAO II-School Educ Coord | 1 | 37,518 | 1 | 39,581 |
| 9761 Asst to CAO II-Recycling Coord | 0 | 0 | 1 | 39,581 |
| 9762 Asst to CAO III-Commercial Coord** | 1 | 28,730 | 1 | 45,945 |
| 9760 Asst to CAO I-Spec Proj Coord** | 1 | 0 | (1) | 0 |
| SUBTOTAL | 5 | 208,650 | 6 | 275,342 |
| | | | 1 | 66,692 |

**Funds for the Commercial Coordinator (\$35,000) and Special Project Coordinator (\$28,730) being carried forward from 1990-91 to 1991-92.

*Amount to be reserved pending resolution of Rate Hearings

22-May-91

| PROJECT PHASE | | DESCRIPTION | | FY 1990-91 | FY 1991-92 | DIFFERENCE | CARRY FORWARD | TOTAL | PROPOSED 91-92 RESERVE* | EXPLANATION | |
|------------------------|-------------------------------|------------------------|--------|------------|------------|------------|---------------|--------|-------------------------------|-------------|--|
| 030 | | SCHOOL EDUCATION | | | | | | | | | |
| 01 | SERVICES OF OTHER DEPARTMENTS | Curriculum | 3,000 | 3,000 | 0 | 0 | 3,000 | 3,000 | | | |
| | | Other | 5,000 | 6,000 | 1,000 | 4,000 | 6,000 | 4,000 | | | |
| | | Student Handbook | 0 | 2,500 | 2,500 | 2,500 | 0 | 2,500 | 2,500 | | |
| | | SUBTOTAL | 8,000 | 11,500 | 3,500 | 0 | 11,500 | 9,500 | | | |
| | | | | | | | | | | | |
| 02 | PROFESSIONAL SERVICES | Assembly | 25,000 | 30,000 | 5,000 | 0 | 30,000 | 0 | | | |
| | | Curriculum Development | 0 | 0 | (9,000) | 0 | 0 | 0 | | | |
| | | Field Trips | 12,000 | 12,000 | 0 | 12,000 | 12,000 | 0 | | | |
| | | Audio Visual | 1,000 | 0 | (1,000) | 0 | 0 | 0 | | | |
| | | Video | 0 | 12,000 | 12,000 | 12,000 | 0 | 12,000 | 12,000 | | |
| | | Student Handbook | 0 | 2,000 | 2,000 | 2,000 | 0 | 2,000 | 2,000 | | |
| | | SUBTOTAL | 48,000 | 56,000 | 11,000 | 0 | 56,000 | 14,000 | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| 03 | CONTRACT SERVICES | Containers | 2,000 | 2,000 | 0 | 0 | 0 | 0 | | | |
| | | Handbooks & Materials | 9,000 | 1,000 | (8,000) | 0 | 1,000 | 2,000 | 2,000 | | |
| | | Workshops | 300 | 700 | 400 | 0 | 700 | 0 | | | |
| | | SUBTOTAL | 11,300 | 3,000 | (8,300) | 0 | 3,000 | 2,000 | | | |
| | | | | | | | | | | | |
| SCHOOL EDUCATION TOTAL | | 64,300 | 70,500 | 6,200 | 0 | 70,500 | 25,500 | | | | |

Amount to be reserved pending resolution of Rate Hearings

-7-

| PROJECT WORKPHASE | | DESCRIPTION | | FT 1990-91 | FT 1991-92 | DIFFERENCE | CARRY FORWARD | TOTAL | PROPOSED | EXPLANATION | |
|-------------------|--|-------------------------------|--|------------|------------|------------|---------------|---------|-----------|----------------------|--|
| 040 | | COMMUNITY OUTREACH | | | | | | NEED | RESERVES* | | |
| 01 | | SERVICES OF OTHER DEPARTMENTS | | | | | | | | | |
| | | Reproduction | | 25,000 | 30,000 | 5,000 | | 30,000 | 20,000 | | |
| | | Mail Room | | 0 | 70,000 | 70,000 | | 70,000 | 35,000 | | |
| | | SUBTOTAL | | 25,000 | 100,000 | 75,000 | 0 | 100,000 | 55,000 | Direct Mail Campaign | |
| 02 | | PROFESSIONAL SERVICES | | | | | | | | | |
| | | Public Outreach | | 50,000 | 20,000 | (30,000) | | 20,000 | 20,000 | | |
| | | Public Outreach | | 30,000 | 0 | (30,000) | | 0 | 0 | | |
| | | Graphic Design Services | | 0 | 30,000 | 30,000 | | 30,000 | 0 | | |
| | | SUBTOTAL | | 80,000 | 50,000 | (30,000) | 0 | 50,000 | 20,000 | | |
| 03 | | MATERIALS & SERVICES | | | | | | | | | |
| | | Publication Ads | | 20,000 | 48,000 | 28,000 | | 48,000 | 25,000 | | |
| | | Direct Mail Handling | | 0 | 28,000 | 28,000 | | 28,000 | 14,000 | | |
| | | SUBTOTAL | | 20,000 | 76,000 | 56,000 | 0 | 76,000 | 39,000 | | |
| | | COMMUNITY OUTREACH TOTAL | | 125,000 | 226,000 | 101,000 | 0 | 226,000 | 114,000 | | |
| 050 | | DEVELOPMENT FUND | | | | | | | | | |
| | | Market Development | | 50,000 | 50,000 | 0 | | 50,000 | 50,000 | | |
| | | University Research/Equipment | | 0 | 10,000 | 10,000 | | 10,000 | 10,000 | | |
| | | SUBTOTAL | | 50,000 | 60,000 | 10,000 | 0 | 60,000 | 60,000 | | |
| | | DEVELOPMENT FUND TOTAL | | 50,000 | 60,000 | 10,000 | 0 | 60,000 | 60,000 | | |

Amount to be reserved pending resolution of Rate Hearings

-8-

| PROJECT UPHRASE DESCRIPTION | | FY 1990-91 | FY 1991-92 | DIFFERENCE | CARRY FORWARD | TOTAL | PROPOSED FY 91-92 RESERVES* | EXPLANATION |
|-----------------------------|----------------------------------|------------|------------|------------|---------------|---------|-----------------------------------|--|
| 060 | PROGRAM SUPPORT | | | | | | | |
| 02 | PROFESSIONAL SERVICES | | | | | | | |
| | Interns | 50,000 | 70,000 | 20,000 | | 70,000 | | |
| | Commercial Recycling Coordinator | 35,000 | 0 | (35,000) | | 0 | | |
| | SUBTOTAL | 85,000 | 70,000 | (15,000) | 0 | 70,000 | 0 | Moved from contract to salaryed position |
| 03 | GRANTS | | | | | | | |
| | Recycling Center Support | 200,000 | 250,000 | 50,000 | | 250,000 | 80,000 | |
| | SF Conservation Corps | 0 | 80,000 | 80,000 | | 80,000 | 80,000 | |
| | SUBTOTAL | 200,000 | 330,000 | 130,000 | 0 | 330,000 | 160,000 | |
| | PROGRAM SUPPORT TOTAL | 285,000 | 400,000 | 115,000 | 0 | 400,000 | 160,000 | |
| 070 | RESEARCH & DEVELOPMENT | | | | | | | |
| 01 | SERVICES OF OTHER DEPARTMENTS | | | | | | | |
| | Reproduction | 0 | 2,200 | 2,200 | | 2,200 | 2,100 | |
| | Christmas Tree Chippers | 3,000 | 2,100 | (900) | | 0 | 10,000 | |
| | Recreation & Park | 80,000 | 0 | (80,000) | | 0 | 10,000 | |
| | City Department Composting | 0 | 10,000 | 10,000 | | 10,000 | 12,100 | |
| | SUBTOTAL | 83,000 | 14,300 | (68,700) | 0 | 14,300 | 12,100 | |
| 02 | PROFESSIONAL SERVICES | | | | | | | |
| | Christmas Trees | 6,000 | 10,500 | 4,500 | | 10,500 | 10,500 | |
| | SLUD | 20,000 | 40,000 | 20,000 | | 40,000 | 40,000 | |
| | Apartment Composting | 0 | 5,000 | 5,000 | | 15,000 | 5,000 | |
| | SCAP | 0 | 15,000 | 15,000 | | 7,000 | 7,000 | |
| | Goodwill Pilot | 0 | 7,000 | 7,000 | | 77,500 | 62,500 | |
| | SUBTOTAL | 26,000 | 77,500 | 51,500 | 0 | 77,500 | 62,500 | |
| 03 | MATERIALS & SERVICES | | | | | | | |
| | Compost Bins | 1,000 | 1,230 | 230 | | 1,230 | 1,230 | |
| | SUBTOTAL | 0 | 35,000 | 35,000 | 0 | 35,000 | 36,230 | |
| | RESEARCH & DEVELOPMENT TOTAL | 110,000 | 128,030 | 18,030 | 0 | 128,030 | 110,830 | |

Amount to be reserved pending resolution of Rate Hearings

22-May-91

| PROJECT | DESCRIPTION | FY 1990-91 | FY 1991-92 | DIFFERENCE | CARRY FORWARD | TOTAL | PROPOSED | EXPLANATION |
|---------|-------------------------------|------------|------------|------------|---------------|-----------|----------|-------------|
| 080 | OFFICE PAPER RECYCLING | | | | | | RESERVES | |
| 01 | SERVICES OF OTHER DEPARTMENTS | 15,000 | 10,000 | (5,000) | 0 | 10,000 | 10,000 | |
| | Promotional Materials | 15,000 | 10,000 | (5,000) | 0 | 10,000 | 10,000 | |
| | SUBTOTAL | | | | | | | |
| 02 | PROFESSIONAL SERVICES | 0 | 8,000 | 8,000 | 0 | 8,000 | 8,000 | |
| | Video | 0 | 8,000 | 8,000 | 0 | 8,000 | 8,000 | |
| | SUBTOTAL | | | | | | | |
| 03 | MATERIALS & SERVICES | 20,000 | 15,000 | (5,000) | 0 | 15,000 | 7,500 | |
| | Donation Containers | 6,000 | 7,000 | 1,000 | | 7,000 | 3,500 | |
| | Central Containers | 6,000 | 5,000 | (1,000) | | 5,000 | 2,500 | |
| | Office Paper Guide | 3,000 | 3,000 | 0 | | 3,000 | 2,500 | |
| | Central Container stickers | 0 | 12,000 | 12,000 | | 12,000 | 12,000 | |
| | Other | 0 | 12,000 | 12,000 | | 12,000 | 12,000 | |
| | SUBTOTAL | 35,000 | 41,000 | 6,000 | 0 | 41,000 | 27,500 | |
| | OFFICE PAPER RECYCLING TOTAL | 50,000 | 59,000 | 9,000 | 0 | 59,000 | 45,500 | |
| | RECYCLING TOTAL | 900,380 | 1,249,808 | 349,508 | 63,730 | 1,186,078 | 515,830 | |

Amount to be reserved pending resolution of rate hearings

-10-

22-May-91

| PROJECT WORKSHEET | | DESCRIPTION | | FY 1990-91 | | FY 1991-92 | | DIFFERENCE | | CARRY FORWARD | | TOTAL | | PROPOSED | | EXPLANATION | |
|---------------------------------|--|--|--|------------|--|------------|--|------------|--|---------------|--|---------|--|----------|--|--|--|
| 070 | | COUNTY SOLID WASTE MANAGEMENT PLANNING | | | | | | | | | | | | 91-92 | | RESERVES* | |
| 01 | | PROFESSIONAL SERVICES | | | | | | | | | | | | | | | |
| | | Rate Review | | 30,000 | | 80,000 | | 50,000 | | 30,000 | | 50,000 | | | | | |
| | | County Source Reduction and Recycling Plan (AS 93) | | 120,000 | | 30,000 | | (90,000) | | | | 30,000 | | 10,000 | | Required to complete project | |
| | | SUBTOTAL | | 150,000 | | 110,000 | | (40,000) | | 30,000 | | 80,000 | | 30,000 | | | |
| 02 | | SALARIES | | | | | | | | | | | | | | | |
| | | Permanent Salaries | | 0 | | 59,816 | | 59,816 | | | | 59,816 | | | | | |
| | | Fringes | | 0 | | 5,952 | | 5,952 | | | | 5,952 | | | | | |
| | | SUBTOTAL | | 0 | | 65,769 | | 65,769 | | 0 | | 65,769 | | 0 | | Required because of increase in workload | |
| SOLID WASTE MGMT PLANNING TOTAL | | | | 150,000 | | 175,769 | | 25,769 | | 30,000 | | 145,769 | | 30,000 | | | |

Amount to be reserved pending resolution of Rate Hearings

| SALARY RECAP | | FY 1990-91 | | FY 1991-92 | | DIFFERENCE | |
|-------------------|--|------------|--------|------------|--------|------------|-----------------------------|
| PROJECT WORKPHASE | POSITION | # POSITS | BUDGET | # POSITS | BUDGET | # POSITS | BUDGET |
| 070 | COUNTY SOLID WASTE MANAGEMENT PLANNING | | | | | | |
| 01 | PREPARED SALARIES | 0 | 0 | 1 | 56,698 | 1 | 56,698 |
| | 9766 ASST to COO V-Asst to Program Manager | 0 | 0 | 1 | 56,698 | 1 | 56,698 |
| | SUBTOTAL | 0 | 0 | 1 | 56,698 | 1 | 56,698 |
| | | | | | | | 5.5% salary standardization |

*Amount to be reserved pending resolution of Rate Hearings

| PROJECT | DESCRIPTION | FY 1990-91 | FY 1991-92 | DIFFERENCE | CARRY FORWARD | TOTAL | PROPOSED FY 91-92 RESERVE | EXPLANATION |
|---------|--|------------|------------|------------|---------------|---------|---------------------------|--|
| 100 | HAZARDOUS WASTE PLANNING | | | | | | | |
| 03 | HAZARDOUS WASTE SALARIES | 132,594 | 217,664 | 65,070 | | 217,664 | | 5.5% salary standardization |
| | Pringles | 4,410 | 22,756 | 18,346 | | 22,756 | | |
| | SUBTOTAL | 137,004 | 240,440 | 63,436 | 0 | 240,440 | 0 | |
| 01 | SERVICES OF OTHER DEPARTMENTS | | | | | | | |
| | City Attorney Enforcement Program | 80,000 | 25,000 | (55,000) | | 25,000 | | Increase due to State Federal Waste Management Act |
| | Reproduction | 5,000 | 101,000 | 106,000 | | 106,000 | | |
| | | 15,000 | 5,000 | (10,000) | | 5,000 | | |
| | SUBTOTAL | 100,000 | 131,000 | (21,000) | 0 | 131,000 | 0 | |
| 02 | PROFESSIONAL SERVICES | | | | | | | |
| | SOG Waste Reduction Contracts | 50,000 | 0 | (50,000) | | 0 | | |
| | Environmental Impact Report | 30,000 | 0 | (30,000) | | 0 | | |
| | Environmental Impact Report | 30,000 | 0 | (30,000) | | 0 | | |
| | Enviroental Interns | 15,000 | 30,000 | 15,000 | | 30,000 | 30,000 | |
| | Haz Waste Reduction Pub Sector | 10,000 | 0 | (10,000) | | 0 | | |
| | Large Quantity Generators | 50,000 | 0 | (50,000) | | 0 | | |
| | Mills Run | 0 | 150,000 | 150,000 | | 150,000 | 150,000 | Waste pickup/disposal for small businesses |
| | Used Oil Transfer | 0 | 10,000 | 10,000 | | 10,000 | 10,000 | Waste pickup/disposal for small businesses |
| | Used Oil Transfer | 0 | 30,000 | 30,000 | | 30,000 | 30,000 | Waste pickup/disposal for small businesses |
| | Used Assoc Experts for Source | 0 | 50,000 | 50,000 | | 50,000 | 50,000 | Evaluation of waste reduction technologies |
| | Reduction by Industrial Users | 0 | 0 | 0 | | 0 | 0 | Identify options for 50 major industrial dischargers |
| | SUBTOTAL | 215,000 | 270,000 | 55,000 | 0 | 270,000 | 270,000 | |
| 05 | HAZARDOUS WASTE FACILITY OUTREACH & EDUC | | | | | | | |
| | Public Outreach | 70,000 | 50,000 | (20,000) | | 50,000 | | |
| | Material & Services | 15,000 | 15,000 | 0 | | 15,000 | | |
| | SUBTOTAL | 85,000 | 65,000 | (20,000) | 0 | 65,000 | 0 | |
| | HAZARDOUS WASTE TOTAL | 609,004 | 706,440 | 97,436 | 0 | 706,440 | 270,000 | |

Amount to be reserved pending resolution of Rate Hearings

SALARY RECAP

FY 1990-91

FY 1991-92

DIFFERENCE

PROJECT WORKPHASE POSITION

100 HAZARDOUS WASTE SALARIES

| POSITION | # POSITS | BUDGET | # POSITS | BUDGET | # POSITS | BUDGET | EXPLANATION |
|---|----------|---------|----------|---------|----------|--------|-----------------------------|
| PERMANENT SALARIES | | | | | | | |
| 9765 Asst to CAO VI-Project Manager | 1 | 61,336 | 1 | 66,707 | 0 | 3,373 | 5.5% salary standardization |
| 9764 Asst to CAO VI-Project Manager-Com | 1 | 53,742 | 1 | 56,698 | 0 | 2,956 | 5.5% salary standardization |
| 9763 Asst to CAO VI-Hazardous Waste Robot-Pub Sec | 0 | 0 | 1 | 56,698 | 1 | 56,698 | 5.5% salary standardization |
| 9761 Asst to CAO VI-Information Specialist | 1 | 37,518 | 1 | 39,561 | 0 | 2,043 | 5.5% salary standardization |
| SUBTOTAL | 3 | 152,596 | 4 | 217,664 | 1 | 65,067 | |

Item 5 - File 182-91-2

Department: Assessor
Treasurer - Tax Collector
Controller

Item: Resolution to (1) set the fee to be collected from the San Francisco Unified School District (SFUSD) for property tax administration and (2) directing the Controller to bill SFUSD for the property tax administration fee.

Description: Although many local governmental agencies and school districts receive property tax revenues, it is the county government that collects and distributes those revenues. Recently passed State Law allows a county, such as the City and County of San Francisco (CCSF), to pass on the administrative costs incurred by the County to collect and transfer property tax revenues to the local governmental agencies and school districts that benefit from those activities.

The proposed resolution would for the first time, set the amount to be charged to the SFUSD by the CCSF for administrative services to collect and transfer SFUSD's share of the annual property tax for 1989-90 and would direct the Controller to bill SFUSD. The SFUSD has requested the proposed resolution. For subsequent years, the proposed resolution would require the Controller to calculate the proportionate charge to the SFUSD no later than December 5, 1991, for the immediately preceding fiscal year, and submit the calculation to the Board of Supervisors no later than January 15.

The Controller's Office has completed the calculation of the appropriate charge to SFUSD for 1989-90 that needs to be inserted on line 2 of page 2 of the proposed resolution. The 1989-90 charge is \$604,560 according to Mr. David Fong, Chief Assistant Controller. Such monies would accrue to the City's General Fund.

Comments: 1. The Controller's Office reports that the Bay Area Rapid Transit (BART) District already has an agreement with the City to reimburse the City for the costs of property tax administration. Mr. Fong states that, except for BART and the SFUSD, the Controller's Office has no plans to charge the other agencies that benefit from property tax administration. Those agencies include Open Space Acquisition Fund, Bay Area Air Quality Management District and San Francisco Redevelopment Agency. According to Mr. Fong, only the

BOARD OF SUPERVISORS
BUDGET ANALYST

BART revenue has been included in the proposed 1991-92 budget.

2. According to Mr. Fong, changes in the State Law currently being considered by the State Legislature would not impact the City until 1991-92.

Recommendations:

1. Amend line 2 on page 2 of the proposed resolution to insert the 1989-90 charge of \$604,560 calculated by the Controller's Office.

2. Approval of the proposed resolution to reduce revenue to the SFUSD and correspondingly increase revenues to the City's General Fund is a policy matter for the Board of Supervisors.

Item 6 - File 117-91-1

Department: Fire Department
Bureau of Fire Prevention

Item: Ordinance to amend Fire Code Section 4.208 to increase property inspection fees for the review of plans submitted with building permit applications.

Description: Section 4.208 of the Fire Code requires that upon the application for a building permit, fees shall be collected to compensate the Fire Department for the costs of checking the building plans for compliance with fire safety regulations. These fees are based on valuation of the construction work to be performed. The current fees and the proposed fees are as follows (the "Additional" fee amount is added for every \$1,000 in valuation exceeding the "Over" valuation limit):

| <u>Valuation</u> | | <u>Current Fees</u> | | <u>Proposed Fees</u> | |
|------------------|----------------------|---------------------|--------------------------|----------------------|--------------------------|
| <u>Over</u> | <u>Not More Than</u> | <u>Basic Amount</u> | <u>Additional Amount</u> | <u>Basic Amount</u> | <u>Additional Amount</u> |
| 0 | \$ 1,000 | \$24 | - | \$ 25 | - |
| \$ 1,000 | 5,000 | 24 | \$5.25 | 25 | \$7.25 |
| 5,000 | 10,000 | 45 | 2.80 | 54 | 4.40 |
| 10,000 | 50,000 | 59 | 1.275 | 76 | 2.30 |
| 50,000 | 100,000 | 10 | 0.70 | 168 | 1.34 |
| 100,000 | 500,000 | 145 | 0.325 | 235 | 0.6875 |
| 500,000 | 2,500,000 | 275 | 0.12 | 510 | 0.305 |
| 2,500,000 | 5 million | 515 | 0.064 | 1,120 | 0.18 |
| 5 million | 15 million | 675 | 0.375 | 1,570 | 0.113 |
| 15 million | 30 million | 1,050 | 0.022 | 2,700 | 0.07 |
| 30 million | 50 million | 1,380 | 0.015 | 3,750 | 0.055 |
| 50 million | 100 million | 1,680 | 0.0104 | 4,850 | 0.039 |
| 100 million | - | 2,200 | 0.005 | 6,800 | 0.022 |

Section 4.208 also provides that when a field inspection is necessary in conjunction with checking for fire safety compliance, the Fire Department shall charge for field inspections as follows:

BOARD OF SUPERVISORS
BUDGET ANALYST

| <u>Valuation</u> | | <u>Fee</u> | |
|------------------|----------------------|----------------|-----------------|
| <u>Over</u> | <u>Not More Than</u> | <u>Current</u> | <u>Proposed</u> |
| 0 | \$50,000 | \$60.00 | \$68.50 |
| \$50,000 | 500,000 | 120.00 | 137.00 |
| 500,000 | - | 180.00 * | 205.50* |

*If more than three hours of field inspection time is required, the hours exceeding three will be charged at the rate of \$68.50 per hour (current rate is \$60.00).

Comment: Chief Medina, the Fire Marshal, reports that the proposed fee increase will be presented to the Fire Commission at their June 25, 1991 meeting and therefore the proposed ordinance should be continued until the Fire Commission has approved the proposed fee increases.

Recommendation: Continue the proposed ordinance at the request of the Fire Marshal, Chief Joe Medina, pending the review and approval by the Fire Commission.

Item 7 - File 28-91-8

Note: This item was continued by the Finance Committee at its meeting of June 5, 1991.

Departments: Department of Public Works (DPW)
Juvenile Probation Department

Item: Emergency resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, safety and welfare of citizens of the City and County of San Francisco and the County of San Mateo by performing work to abate fire, health, life-safety and sewage hazards at Log Cabin Ranch located in La Honda, California and further authorizing the Juvenile Probation Department to apply for a long-term low interest loan from the State Water Resources Control Board.

Amount: \$1,917,100

| | | |
|-------------------------|---|------------------|
| Source of Funds: | Correctional Facility Bond Act of 1986 | \$497,000 |
| | Capital Improvement Appropriation (Juvenile Probation Department) | 334,800 |
| | Loan from the State Water Resources Control Board | <u>1,085,300</u> |
| | Total | \$1,917,100 |

Description: The Juvenile Probation Department has prepared an Amendment of the Whole to the proposed legislation, which deletes reference to a loan from the State Water Resources Control Board and changes the amount and source of funds as follows:

| | |
|---|----------------|
| Correctional Facility Bond Act of 1986 | \$497,000 |
| Capital Improvement Appropriation (Juvenile Probation Department) | 270,000 |
| Capital Improvement Appropriation Request in 1991-92 Budget (Juvenile Probation Department) | <u>391,000</u> |
| Total | \$1,158,000 |

The Juvenile Probation Department reports that State and County Fire Inspectors have determined that there are certain structural deficiencies at Log Cabin Ranch with respect to health and fire safety that are in need of immediate renovation and that the existing fire alarm and sprinkler systems at the Ranch are unreliable and in need of immediate replacement. Additionally, the Department reports that the State Regional Water Quality Control Board has issued a tentative order requiring that the sewage

BOARD OF SUPERVISORS
BUDGET ANALYST

treatment plant at Log Cabin Ranch be brought into compliance with Title 22 of the Public Health Code with regard to wastewater treatment and sewage disposal. Under the tentative order, the Juvenile Probation Department submitted the first progress report to the State, on the improvement of the sewage treatment plant, on May 30, 1991. The second progress report is due by August 30, 1991 and a detailed report showing that the sewage treatment plant is in full compliance is due by November 30, 1991.

The DPW reports that, in accordance with Section 6.30 of the Administrative Code, the Department would use expedited procedures to issue a request for bids for the necessary construction work required to abate the fire, health, life-safety, and sewage hazards at Log Cabin Ranch. The estimated cost to perform this necessary emergency work, as prepared by DPW, is detailed below:

Fire, Health and Life-Safety Abatement

| | |
|---------------------------------------|---------------|
| Installation of Fire Protection Walls | \$50,000 |
| Plaster Coating, Painting, Electrical | 13,000 |
| Sprinkler System, Piping, Water | |
| Storage Tank | 180,000 |
| Fire Alarm System | 160,000 |
| Life and Health Safety Improvements | |
| (i.e., plumbing and toilets) | 75,000 |
| Architectural/Engineering Services | 120,000 |
| Testing Services | 10,000 |
| Permits and Fees | 5,000 |
| Contingency | <u>50,000</u> |
| Subtotal | \$663,000 |

Sewage Repair

| | |
|-------------------------------------|--------------------|
| Construction of Berm around Lake | 120,000 |
| Clean Ozidation Bond | 170,000 |
| Repair Walker Process Control | 40,000 |
| Install Chlorine Contact Chamber | 20,000 |
| Provide Chlorine Gas | |
| Disinfection System | 13,000 |
| Repair Storage Tank | 10,000 |
| Installation of Power Failure Alarm | 7,000 |
| Engineering Services | 30,000 |
| Construction Manager | 40,000 |
| Contingency | <u>45,000</u> |
| Subtotal | 495,000 |
| Total | <u>\$1,158,000</u> |

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments:

1. The Juvenile Probation Department has requested that the Amendment of the Whole to the proposed legislation be introduced at the Board of Supervisors meeting on June 10, 1991.
2. The Capital Improvement Advisory Committee (CIAC) has reviewed this emergency repair project and has recommended that it be funded.
3. Mr. Rudolf Nothenberg, Chief Administrative Officer, as Chair of the Capital Improvement Advisory Committee, has requested that \$391,000 of the \$495,000 earmarked for the sewage repair work be paid from the 1991-92 Interim Annual Appropriation Ordinance (Item 1 - File 101-91-1 of this report). According to Mr. Nothenberg, this request is being made in order to ensure that the sewer repair work can be completed by the November 30, 1991 date set by the State Regional Water Quality Control Board. Mr. Nothenberg advises that, if this date is not met, the City may be subject to a fine of up to \$25,000 a day, at a minimum. At the maximum, the State may issue a Cease and Desist Order in addition to the imposition of fines. The terms of the Cease and Desist Order could require the elimination of any sewer discharges until conformity with the Order is met. This action, according to Mr. Nothenberg, could have serious implications for the continued operation of Log Cabin Ranch.
4. The Budget Analyst recommends approval of the interim budget exception for \$391,000 for the sewage repairs.

Recommendation: Approve the proposed Amendment of the Whole.

Items 8 and 9 - Files 97-91-37 and 97-91-37.1

Note: File 97-91-37 was continued by the Finance Committee on June 5, 1991.

Department: Police Department

Item: Item 8 (File 97-91-37) is a proposed ordinance amending the San Francisco Administrative Code by adding Section 10.117-109 thereto, to establish the Vehicle Theft Crimes Fund.

Item 9 (File 97-91-37.1) is a proposed resolution that allows the City and County of San Francisco to elect to receive a \$1.00 vehicle registration fee surcharge for auto vehicle theft enforcement purposes.

Description: Under the California Vehicle Code, Section 9250.14 (SB 2139 passed in 1990), the Police Department is eligible to receive funds from a \$1.00 surcharge imposed on motor vehicle registrations with a San Francisco address. Such revenues would be collected by the State Department of Motor Vehicles (DMV). After deduction of DMV administration expenses, the DMV would pay the surcharge revenues to the State Controller on a quarterly basis. The State Controller would then disburse these revenues to the County based on the number of motor vehicle registrations.

The proposed ordinance would add Section 10.117-109 to the San Francisco Administrative Code to establish a special Vehicle Theft Crimes Fund. Revenues from the surcharge on motor vehicle registrations would be deposited in the Vehicle Theft Crimes Fund.

Section 9250.14 of the State Vehicle Code also specifies that the DMV shall collect the \$1.00 surcharge after adoption of a resolution by the Board of Supervisors authorizing the surcharge. Item 9 (File 97-91-37.1) is the proposed resolution that exercises the City's option to receive the \$1.00 surcharge revenues.

Surcharge monies deposited in the Vehicle Theft Crimes Fund would be used exclusively for deterring, investigating, and prosecuting vehicle theft crimes. The State Vehicle Code also provides that vehicle registration surcharge revenues cannot be used to substitute for reductions in any other sources of funds.

The State Vehicle Code provisions will remain in effect until January 1, 1996, at which time, the law "sunset." After January 1, 1996, the City would have to return any monies remaining in the Vehicle Theft Crimes Fund to the State

BOARD OF SUPERVISORS
BUDGET ANALYST

Controller for deposit in the Motor Vehicle account in the State Transportation Fund.

Comments:

1. According to Lieutenant Gerald Crowley of the Police Department, the DMV estimates that 464,143 vehicles are registered annually in San Francisco County. Therefore, assuming a \$1.00 surcharge, the potential annual revenues to the Vehicle Theft Crimes Fund would be \$464,143 less any DMV administrative costs.

2. The Police Department presently investigates vehicle theft cases only where a suspect has been arrested. According to Mr. Crowley, if the Police Department were to receive additional funding through the surcharge revenues from the proposed Vehicle Theft Crimes Fund, Police Department staff could begin inspecting vehicles at private businesses where vehicle parts are bought and sold, provide training and community awareness, and increase theft case follow-up and enforcement.

3. Any appropriation of monies from the Vehicle Theft Crimes Fund would require approval by the Board of Supervisors.

Recommendation: Approve the proposed ordinance (Item 8, File 97-91-37).

Approve the proposed resolution (Item 9, File 97-91-37.1).

Item 10 - File 156-91-2

Note: This item was continued by the Finance Committee at its meeting of June 5, 1991.

Agency: Private Industry Council of San Francisco, Inc. (PIC)

Item: Resolution approving an expenditure plan for Refugee Employment Social Services and Refugee Targeted Assistance Funds to be administered by the PIC.

At the May 15, 1991 Finance Committee, the PIC submitted an amendment of the whole, which specifies the amount of \$310,605 requested for approval and authorizes the PIC to sign, enter into, and execute the State contract for the funds.

Grant Amount: \$310,605

Local Match: None

Grant Term: January 1, 1991 through September 30, 1993

Source of Funds: Federal Refugee Employment Social Services funds disbursed by the State Department of Social Services (State DSS).

Description: The Private Industry Council, a non-profit organization, administers two sets of refugee funds on behalf of the City. These funds originate from the Federal Office of Refugee Resettlement and are allocated to the City through the State Department of Social Services. The Refugee Employment Social Services funds (RESS) and Refugee Targeted Assistance Program (RTAP) Title VII funds are used to provide employment and training services to refugees who are receiving public assistance.

In March of 1991, the Board of Supervisors approved a resolution approving a revised Refugee County Plan for San Francisco. Based on that County Plan, the PIC issued a request for proposals for organizations interested in providing employment training and placement as well as supportive services to San Francisco refugees receiving cash assistance. The PIC specifically requested proposals for a Central Intake Point (CIP) service to provide assessment, certification, referral and tracking of refugee participants and a proposal for provision of childcare services. The proposed resolution would approve an expenditure plan, totalling \$940,730, which includes the proposed contractors selected through the RFP process.

BOARD OF SUPERVISORS
BUDGET ANALYST

In previous years, the PIC has administered the RESS and RTAP funds separately. For the 1991 Federal Fiscal Year, the State DSS is allowing the PIC to administer the RESS and RTAP funds as a combined grant program. The proposed expenditure plan provides for expenditure of \$940,730 in RESS and RTAP funds, of which the proposed resolution would also approve the acceptance and expenditure of a first allocation consisting of RESS funds in the amount of \$310,605. The State DSS will allocate the remaining \$630,125 of RESS and RTAP funds at a later date.

The PIC has furnished the following plan for expenditure of the RESS and RTAP funds:

| | <u>Contract Function</u> | <u>First Allocation (This Resolution)</u> | <u>Total Budget</u> |
|---|---|---|-------------------------|
| <u>Sources:</u> | | | |
| 1991 RESS funds | | \$310,605 | \$532,000 |
| Estimated 1991 RTAP funds | | | 388,554 |
| Reallocation of 1988 RTAP funds | | _____ | <u>20,176</u> |
| Total Refugee funding | | \$310,605 | \$940,730 |
| <u>Proposed expenditures:</u> | | | |
| PIC Administration | | \$40,379 | \$141,110 |
| Contractual Services: | | | |
| International Rescue Committee | Case Management and CIP | 45,175 | 128,661 |
| Third Baptist Church | Employment Services | 8,115 | 23,113 |
| Mutual Assistance Coordination Council | Vocational English as Second Language, and Employment Services (VESL, ES) | 17,556 | 50,000 |
| Jewish Vocational Services | ES, Vocational Training (VT) | 61,094 | 174,000 |
| Center for Southeast Asian Refugee Resettlement | EUN* | 0 | 30,000 |
| Refugee Employment Assistance Program- Catholic Charities | ES, VT, VESL | 72,629 | 206,853 |
| Children's Council of San Francisco | Childcare services | 14,045 | 40,000 |
| Transportation and Ancillary services† | | 5,967 | 16,993 |
| Conciliation Services to be provided by San Francisco DSS | | 10,533 | 30,000 |
| On-the-Job-Training Set-aside | | <u>35,112</u> | <u>100,000</u> |
| Total | | \$310,605 | \$940,730 |

*Extreme and Unusual Needs may be provided for special identified populations like at-risk youth or other refugees not on cash-assistance.

†Ancillary services includes books, clothings, tools or fees needed for a training assignment.

BOARD OF SUPERVISORS
BUDGET ANALYST

The State DSS allows the PIC to budget up to 15 percent of the total grant for administrative purposes. PIC has allocated a total of \$141,110 (\$40,379 in the first allocation) to administer the grant funds from the total budget of \$940,730. Mr. Greg Marutani, Administrative Services Manager for the PIC advises that the administrative funds would be allocated as follows:

| | |
|---|--------------|
| Staff salaries and fringe benefits | \$105,832 |
| PIC administrative overhead (19% of total) | 26,811 |
| Direct charges consisting of printing and reproduction, computer costs, travel, materials and supplies, and audit costs | <u>8,467</u> |
| Total Administrative costs | \$141,110 |

The proposed expenditure plan includes \$16,993 for transportation and ancillary services (\$5,967 in the first allocation). These funds would be used by the contractor responsible for CIP and case management to provide transportation assistance (MUNI fast passes or transit tokens) to employment programs and other ancillary services, as needed by refugee clients.

According to Mr. Marutani, San Francisco Department of Social Services (DSS) would be allocated \$30,000 (\$10,533 in the first allocation) for cause determination/ conciliation hearings services. Presently, all DSS refugee assistance clients must enter these refugee employment and training programs provided by the PIC. If a client does not attend the program, the service contractors report to DSS the client's non-attendance. DSS conducts cause determination/ conciliation hearings to determine why a client has not participated in an employment and training program.

The PIC has also budgeted \$100,000 (\$35,112 in the first allocation) as a set-aside for On-the-Job-Training (OJT). These OJT funds are used to reimburse employers for extraordinary costs required to train program clients. Employers, who agree to employ clients placed by the various service contractors, must submit invoices detailing the training costs to the PIC.

Comment:

1. The PIC has submitted a Summary of Grant Request for the first allocation of RESS funds (See attachment).

BOARD OF SUPERVISORS
BUDGET ANALYST

2. As noted above, the State DSS allows the PIC to recover the administrative costs of overseeing these grant funds. According to Ms. Eunice Elton, President of the PIC, the grant term began on January 1, 1991, and will end on September 30, 1993. The PIC does not intend to begin contractual services until June 1, 1991. However, the PIC has already provided administrative services on the 1991 grant allocation from January 1, 1991. Therefore, the proposed resolution should be amended to allow PIC to retroactively expend the grant funds from January 1, 1991.

3. Ms. Eunice Elton of the PIC reports that a meeting was held on May 20, 1991 to discuss the proposed item with the Refugee Committee Chairman, three PIC staffmembers, Supervisor Gonzalez, the Legislative Policy Analyst and three representatives from the Mayor's Office. According to Ms. Elton, after considerable discussion at this meeting and subsequent discussion with members of the PIC, if this matter were reconsidered by the PIC a second time, the PIC believes that the same recommendations that are currently before the Finance Committee would be approved. Ms. Elton therefore requests that the Finance Committee or the full Board of Supervisors approve the proposed recommendations or develop the necessary modifications to the proposed allocations, as appropriate.

4. Ms. Elton advises that there are specific State and Federal requirements for the proposed Federal Refugee Employment Social Services funds that are disbursed by the State Department of Social Services. According to Ms. Elton, the currently proposed allocation is in compliance with these requirements.

5. The State DSS requires the Board of Supervisors to approve, by resolution, the acceptance and expenditure of the allocations of RESS and RTAP funds totalling \$940,730. As previously noted, the proposed resolution would approve the acceptance and expenditure of the first allocation of \$310,605. The State will allocate the remaining \$630,125 in separate allocations at later dates. As the State allocates these funds, the PIC will submit corresponding resolutions for Board of Supervisors approval.

6. Ms. Elton reports that Mr. Rob Rubin, Refugee Specialist for the Lawyers Committee for Urban Affairs advises that recent court cases have not qualified Central Americans for refugee status. Ms. Elton advises that a letter from the State Department of Social Services states that the new safe haven status of Central American refugees, such as the Salvadoran refugees, does not qualify them for Federal cash assistance.

BOARD OF SUPERVISORS
BUDGET ANALYST

7. Ms. Elton reports the PIC members were mailed a summary regarding the status of the Board of Supervisors consideration of the expenditure plan for the Refugee Employment Social Services and Refugee Targeted Assistance Funds. Ms. Elton reports that the Council members showed no apparent interest in reconvening to reconsider the PIC's recommendations. As noted in Comment 3 above, the PIC believes that the same recommendations that are currently before the Finance Committee would be approved. Ms. Elton further advises that the PIC intended to begin contractual services on June 1, 1991. Further delay will cause the nonprofit agencies to receive the RESS and RTAP funding late.

8. As of the writing of this report, PIC has not revised its expenditure plan for RESS and RTAP funding.

Recommendations: Amend the proposed resolution to allow the PIC to retroactively expend the grant funds as of January 1, 1991.

Approval of the proposed amendment of the whole is a policy decision for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

SUMMARY OF GRANT REQUEST

File No.: 156-91-2 (RESS)

Grantor: Refugee Immigration Program Branch/DSS Agency: Private Industry Council of San Francisco, Inc.
 Contact Person: Mike White Section: N/A
 Address: 744 'P' Street Contact Person: Greg Marutani/Guillermo Casillas
 Sacramento, CA 95814 Telephone: 621-6853
 Amount Requested: \$310,605 Application Deadline: N/A
 Term: From: January 1, 1991 to: September 30, 1993 Notification Expected: N/A
 Board of Supervisors: Finance Committee -
 Full Board -

- I. Item Description: Request to accept and expend a new allocation grant in the amount of \$310,605 from the period of January 1, 1991 to September 30, 1993 to provide employment and training services.
- II. Summary:
To provide employment and training services to refugees receiving public assistance.
- III. Outcomes/Objectives:
Training of refugees that leads to employment.
- IV. Effects of Reduction or Termination of These Funds:
Reduce services for refugees and increase the financial burden for the City and County of San Francisco.

| V. Financial Information: | Column A Initial | Column B Proposed | Column C Total Grant |
|---------------------------|---------------------|----------------------|-------------------------|
| Subcontract Services: | N/A | \$270,226 | \$270,226 |
| PIC Administration: | N/A | <u>\$40,379</u> | <u>\$40,379</u> |
| Total: | N/A | \$310,605 | \$310,605 |

VI. Data Processing: N/A

VII. Personnel: N/A
 FT/CSC N/A
 PT/CSC N/A

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
 N/A

Will grant funded employees be retained after this grant terminates? If so, how?
 N/A

VIII. Contractual Services: Open Bid XX Sole Source _____

Item 11 - File 101-90-111

Note: This item was continued by the Finance Committee at its meeting of June 5, 1991.

Department: Airport Commission

Item: Ordinance appropriating funds for overtime for Fiscal Year 1990-91.

Amount: \$151,000

Source of Funds: Airport Operating Funds

Description: The Airport has requested \$151,000 to pay for greater than expected overtime expenses incurred during the Persian Gulf War.

According to Mr. John Martin of the Airport, the Airport did not budget sufficient funds for overtime to absorb the extraordinary costs of the Persian Gulf War. Due to a Federal Aviation Administration imposed Level 4 Security Alert, the Airport has expended, as of the end of April, 1991, \$109,764 for Airport Police overtime and \$10,354 for general Airport operations related to the Persian Gulf War, for a total of \$120,118.

Mr. Martin further reports that the Airport expects to spend an additional \$30,000 between May 1, 1991 and June 30, 1991 for overtime related to keeping the Airport on the Level 4 Security Alert. While the FAA Level 4 Security Alert ended May 17, 1991, the Airport will maintain heightened security levels. In addition, Mr. Martin advises that the Airport will continue to authorize overtime to allow Airport Police Officers to take vacation leave not authorized during the Persian Gulf crisis.

For the entire FY 1990-91, the Airport expects to incur a total of \$150,118 in overtime expenses related to the Persian Gulf War. The Airport has therefore requested a supplemental appropriation of \$151,000.

Comments: 1. For Fiscal Year 1990-91, the Airport budgeted a total of \$1,142,246 in its operating fund for overtime. Based on the Airport's budgeted overtime allocation, and the actual and expected overtime costs, the Budget Analyst has projected the Airport's need for supplemental appropriation as follows:

BOARD OF SUPERVISORS
BUDGET ANALYST

| | |
|---|------------------|
| FY 1990-91 budget for overtime | \$1,142,246 |
| Less Non-Gulf War overtime expenses | 971,534 |
| Less projected non-gulf War expenditures for May 1, 1991 through June 30, 1991 | <u>194,307</u> |
| Budgeted amount remaining | (\$23,595) |
| Less actual and projected Gulf War expenditures | <u>(150,118)</u> |
| Total amount needed | (\$173,713) |
| Amount of Supplemental Appropriation Request | <u>151,000</u> |
| Total projected unfunded overtime | (\$22,713) |

Including the proposed supplemental appropriation of \$151,000, the Airport's total appropriation for overtime may not be sufficient to cover the total projected cost of overtime for FY 1990-91. Therefore, based on the above calculations, the Airport's request for \$151,000 is justified.

2. As noted above, Mr. Martin has advised that the FAA lifted the Level 4 Security Alert on May 17, 1991. However, according to Mr. Martin, the Airport still expects to incur the added overtime expenses as police staff must work overtime to cover for staff on scheduled vacation leave.

Recommendation: Approve the proposed ordinance.

Item 12 - File 25-91-23

Department: Commission on Aging

Item: Resolution concurring with the Controller's certification required by Charter Section 8.3200-1 (Proposition J) that certain services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

Services to be Performed: Senior Information and Referral Services Program

Description: Senior Information and Referral Services are currently being provided by the Department of Public Health (DPH), funded jointly by DPH and the Commission on Aging through an Interdepartmental Work Order and Memorandum of Understanding. The Senior Information and Referral Services Program provides a main entry point for seniors and their families seeking information and guidance through the public and private senior services and long term care in San Francisco. This program, under the Department of Public Health, has combined expertise in health services and social support services in order to accurately assess people's needs and appropriately refer them to available resources. In FY 1990-91, the Commission on Aging provided \$195,955 and DPH provided \$189,671 for a total of \$385,626. For fiscal year 1991-92, DPH has eliminated the Senior Information and Referral Services staff positions and the associated \$189,671 from the budget, and has indicated that it will no longer provide the service under their Department. As a result, the Commission on Aging voted at its May, 1991 meeting to explore contracting out the service.

The Controller has determined that contracting for the Senior Information and Referral Services in fiscal year 1991-92 would result in estimated savings as follows:

BOARD OF SUPERVISORS
BUDGET ANALYST

| | Lowest Salary <u>Step</u> | Highest Salary <u>Step</u> |
|-------------------------------------|---------------------------------|----------------------------------|
| <u>City Operating Service Costs</u> | | |
| Salaries | \$107,381 | \$127,581 |
| Fringe Benefits | 31,703 | 36,198 |
| Operating Expenses | 43,000 | 43,000 |
| 24 Hour Coverage | <u>34,000</u> | <u>34,000</u> |
| Total | \$216,084 | \$240,779 |
| <u>Contractual Service Cost</u> | <u>189,041</u> | <u>189,041</u> |
| <u>Estimated Savings</u> | \$27,043 | \$51,738 |

Comments:

1. DPH currently employs 7.5 FTE employees. Beginning in July, 1991 or FY 1991-92, these positions will be eliminated. The DPH will try to relocate these employees to other existing vacant positions within the Department.
2. Ms. Leslie Miko of the Commission on Aging reports that the Commission on Aging has not selected a specific nonprofit organization to perform the Senior Information and Referral Service. Ms. Miko reports that the Commission on Aging surveyed nonprofit senior information and referral services in counties across the State to develop the average cost to provide senior information and referral services through a nonprofit organization. The \$189,041 reflects this average cost.
3. Due to the decrease in the level of funding, the level of service to be provided by the Senior Information and Referral Service program under the proposed Proposition J certification contract will also decrease.
4. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of this contract, is attached.

Recommendation: Approve the proposed resolution.

CHARTER 8.300-1 (Proposition J) QUESTIONNAIREDepartment COMMISSION ON AGINGContract Services SENIOR INFORMATION AND REFERRALFor the term starting approximately AUG. 1, 1991 through JULY 30, 1992

1) Who performed services prior to contracting out?

DEPARTMENT OF PUBLIC HEALTH

2) Number of City employees laid off as a result of contracting out?

7.5 FTE

3) Explain disposition of employees if they were not laid off.

Information + Referral positions will be eliminated in DPH budget. Employees will "bump" in accordance with Civil Service procedures.

4) What percent of a City employee's time is spent on services to be contracted out?

100%.

5) How long have the services been contracted out?

THIS would be 1ST TIME.

6) When was the first fiscal year for a Proposition J certification?

Will be 1991-1992.

7) How will contract services meet the goals of your MBE/WBE Action Plan?

Contract will likely be with a non-profit organization - exempt from MBE/WBE. In continuing department's practice preference will be given to services which target to low income and minority elderly.Leslie Mike
Department Representative864-6051
Telephone

Item 13 - File 132-91-6

Department: Art Commission

Item: Authorizing the San Francisco Art Commission to apply for, retroactively, accept and expend renewal of an annual Burlington Resources Foundation grant for support of high artistic standards and low-cost ticket prices at the 1991 POPS series, and to ensure added revenues to benefit Art Commission community arts program

Grant Amount: \$60,000

Grant Period: July 18, 1991 through August 1, 1991

Source of Funds: Burlington Resources Foundation

Project: 1991 POPS Summer Concert Series

Description: The Art Commission is mandated by the Charter to produce a concert series with a municipal symphony, which for several years has been the POPS Summer Concert Series. The proposed grant funds would be used for operating support to help promote the POPS summer concert series. Since the Burlington Foundation cannot make contributions directly to any government agency, the funds would be placed on account with a non-profit corporation, Chamberworks, to act as fiscal receiver and disbursing officer of the funds. This annual grant would assist the Art Commission serve a variety of communities, including individual artists and neighborhoods which would not otherwise be served.

Program Budget:

| | |
|---|--------------|
| <u>Musicians' Fees/San Francisco Symphony</u> | \$10,000 |
| <u>Publicity and Advertising</u> | 12,000 |
| 30 percent of cost of radio/print ads, and direct mail promotional brochures | |
| <u>Guest Artist Fee</u> | 35,000 |
| 50 percent for Mel Torme-POPS Opening Night | |
| <u>Fiscal Fee</u> | <u>3,000</u> |
| Chamberworks for receiving the grant for the Art Commission | |
| Total Budget | \$60,000 |

BOARD OF SUPERVISORS
BUDGET ANALYST

Indirect Costs: None (See Comment #3).

Required Match: None.

Comments: 1. Ms. Margie O'Driscoll, Acting Director of the Art Commission, reports that total costs for the POPS summer concert series are estimated at \$730,000 for nine concerts. Section 6.400 of the San Francisco Charter provides that one-half cent on each one hundred dollars of assessed valuation of property is set aside for funding for the Art Commission to provide the POPS Summer Concert series. Ms. O'Driscoll indicates that estimated revenues from property taxes are \$638,000 for FY 1991-92. Ms. O'Driscoll also indicates that remaining funding for the concert series would come from ticket sales. Tickets range in price from \$3 to \$40 for approximately 8,500 seats. Assuming half of the tickets are sold, a minimum of \$114,750 for nine concerts would be generated.

2. The Art Commission reports that the application deadline for the proposed grant was March 15, 1991. Ms. O'Driscoll reports that the Art Commission was unaware that grant funds that would not be deposited in the City Controller's Office had to be approved by the Board of Supervisors. Therefore, the Art Commission is requesting authorization to apply for the proposed grant retroactively.

3. On May 20, 1991, the Board of Supervisors approved an ordinance (File 97-91-16.1) requiring that all grant resolutions include indirect costs or the reasons why the indirect costs cannot be included in the grant. Ms. O'Driscoll reports that the Art Commission did not include any indirect costs in the proposed grant because the grant funds would be awarded to the non-profit organization, Chamberworks, and the grant funds would not have to be administered by any City employees. Exclusion of indirect costs is a separate policy matter for the Board of Supervisors.

4. The Art Commission also received \$60,000 from the Burlington Resources Foundation in FY 1990-91.

Recommendation: Approve the proposed grant. However, exclusion of indirect costs is a separate policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 14 - File 157-91-1

This item is a hearing to transmit the Departmental Report of Fees, except fees regulated by State or Federal law, for 1991-92, pursuant to Section 3.17-2 of the City's Administrative Code.

The Controller's Office, pursuant to Section 3.17-2 of the City's Administrative Code, has prepared a comprehensive report of departmental fees for fiscal year 1991-92. This report dated May 15, 1991, has been provided to the Board of Supervisors, and is contained in the file. This report compares 1990-91 fees with the 1991-92 fees as recommended by the departments and contains cost data showing whether the departmental fees are recovering the full costs of the services provided by the City.

Recommendation

File the report.

Item 15 - File 101-90-130

Department: District Attorney (DA)

Item: Supplemental Appropriation Ordinance for training and membership dues and rescinding \$9,406 from office machine rental. This ordinance is the subject of a previous budgetary denial and would provide for ratification of action previously taken.

Amount: \$9,406

Source of Funds: Reappropriation of surplus Department General Fund monies.

Description: The proposed Supplemental Appropriation Ordinance would reappropriate \$9,406 for training and membership dues as follows:

| | |
|-----------------|----------------|
| Training | \$8,032 |
| Membership Dues | <u>1,374</u> |
| | <u>\$9,406</u> |

Comments: 1. The proposed supplemental appropriation ordinance would reappropriate previously appropriated monies for office machine rentals to address deficits in the training and membership dues accounts. Because these two accounts were reduced in the 1990-91 budget process, the DA's Office cannot fund these deficits through the internal surplus transfer procedure. Therefore, the DA's office must present the request in the form of a supplemental appropriation for approval which requires a two-thirds Board of Supervisors approval or eight votes.

2. The DA's Office was unable to provide a detailed breakdown of the expenditures included in training and membership dues. Additionally, the person responsible for these accounts was not currently available to respond to questions on why this was done.

Recommendation: Approval of the proposed ordinance to reappropriate funds for training and membership dues which were previously denied by the Board of Supervisors, is a policy matter for the Board.

Item 16 - File 138-91-3

Department: District Attorney

Item: Resolution authorizing the District Attorney to apply for, accept and expend a continuation State grant.

Grant Amount: \$112,970

Source of Grant: Office of the State Attorney General

Term of Grant: July 1, 1991 through June 30, 1992

Project: Child Victim Witness Investigative Pilot Project

Description: The Child Victim Witness Investigative Pilot Project is one of three demonstration projects chosen by the Attorney General's Office to develop, deliver, and evaluate a comprehensive, multi-disciplinary approach to the investigation of child sexual abuse. The goals of the Child Victim Witness Investigative Pilot Project are to reduce trauma to the child and to improve the truth finding process by reducing the number of interviews and interviewers, developing trained experts in interviewing children, and videotaping interviews of child sexual abuse victims.

| | | | | |
|----------------|--|------------|---------------|----------|
| Budget: | <u>Personnel</u> | <u>FTE</u> | <u>Amount</u> | |
| | Project Coordinator | 1.0 | \$48,906 | |
| | Forensic Advisor | .07 | 6,982 | |
| | Administrative Asst. | 1.0 | 25,844 | |
| | Grants Manager | .10 | 6,029 | |
| | Accountant | .05 | 1,786 | |
| | Intern (73 hours @ \$15/hr) | | 1,100 | |
| | Fringe Benefits | | <u>9,281</u> | |
| | Subtotal Personnel | 2.22 | | \$99,928 |
| | <u>Equipment & Furnishings</u> | | | |
| | Portable Easels (2 with clamps @\$130) | | \$260 | |
| | Easel Pads (box of 10) | | 200 | |
| | Modem | | 100 | |
| | Software | | <u>300</u> | |
| | Subtotal Equipment & Furnishings | | | \$860 |

BOARD OF SUPERVISORS
BUDGET ANALYST

Training

| | | |
|---|------------|---------|
| Training for Computer Information System Team (6 registrations x \$125) | \$ 750 | |
| Local Travel | 240 | |
| Per Diem | 720 | |
| Travel for Project Staff | 160 | |
| Out-of-County | 320 | |
| Computer Training for Project Staff | <u>200</u> | |
| Total Training | | \$2,390 |

Operating Expenses

| | | |
|-----------------------------|--------------|-------|
| Photocopy | \$674 | |
| Office Supplies | 671 | |
| Postage | 208 | |
| Machine Rental | 197 | |
| Telephone | 1,263 | |
| Audit | <u>1,130</u> | |
| Subtotal Operating Expenses | | 4,143 |

Indirect Costs 5,649

TOTAL \$112,970

Local Match: None

Indirect Cost Rate: \$5,649 or five percent of the grant

- Comments:
1. The application deadline for the proposed grant is June 30, 1991.
 2. Attached is the "Summary of Grant Request" form as prepared by the District Attorney's Office.
 3. The District Attorney's Office reports that State Attorney General's Office has assured the District Attorney that the grant amount will be \$112,970.
 4. The proposed grant amount of \$112,970 is \$28,490 or approximately 20 percent less than the previous grant amount of \$141,460 for FY 1990-91.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Grantor Attorney General's Office Division District Attorney's Office
 Contact Person Beth Gould Section Victim Witness Bureau
 Address 1515 "K" Street, Suite 100 Contact Person Donna Medley
Sacramento, CA 95814 Telephone 553-9046
 Amount Requested \$ \$112,970 Application Deadline 6/30/91
 Term: From 7/1/91 To 6/30/92 Notification Expected 7/30/91
 Board of Supervisors: Finance Committee _____
 Full Board _____

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a)
 (Circle appropriate words) grant in the amount of \$ 112,970 from the period of 7/1/91 to 6/30/92
 to provide Child Victim Witness Investigative services.

II. Summary: (Concise summary; need addressed; number - groups served; services and providers)

San Francisco is one of three demonstration pilot projects chosen
by the Attorney General's Office to develop, deliver, and evaluate a com-
prehensive, multi-disciplinary approach to the investigation of child
sexual abuse. The goals are to reduce trauma to the child, improve the
truth-finding process, and protect the rights of all involved.

III. Outcomes/Objectives:

1) Reduce the number of interviews/interviewers for the child;
 2) Develop trained experts in interviewing children; 3) Conduct multidisciplinary team case planning and monitoring; 4) Videotape interviews of
child sexual abuse victims; and 5) Participate in research and evaluation
of Project activities.

Reduction or termination of the funds would not permit San Francisco to
provide Child Interview Specialists to conduct comprehensive interviews,
videotape child witnesses or coordinate a multidisciplinary review of child
abuse cases in family, juvenile and/or criminal courts.

| | Col. A Two Years Ago | Col. B Past Year/Orig. | Col. C Proposed | Col. D Change | Req. Match | Approved by |
|------------------|-------------------------|---------------------------|--------------------|------------------|------------|-------------|
| Grant Amount | NA | \$141,460 | \$112,970 | \$ 28,490 | 0 | |
| Personnel | | \$ 63,763 | \$ 99,928 | -\$36,165 | 0 | |
| Equipment | | \$ 13,961 | \$ 860 | 13,101 | 0 | |
| Contract Svc. | | \$ 18,720 | \$ 0 | \$ 18,720 | 0 | |
| Mat. & Supp. | | \$ 265 | \$ 671 | -\$ 406 | 0 | |
| Facilities/Space | | \$ 13,300 | \$ 0 | \$ 13,300 | 0 | |
| Other | | \$ 24,378 | \$ 5,862 | \$ 18,516 | 0 | |
| Indirect Costs | | \$ 7,073 | \$ 5,649 | \$ 1,424 | | |

VI. Data Processing

(none reported above) NA NA NA

VII. Personnel

| | | | | |
|-------------|---|---|--|--|
| F/T CSC | 2 | 2 | | |
| P/T CSC | 3 | 4 | | |
| Contractual | 2 | 0 | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

OCJP, General Fund, State Board of Control

Will grant funded employees be retained after this grant terminates? If so, how?
Employees will be retained if other grant funds are available and
applicable to their job classification.

VIII. Contractual Services: Open Bid NA Sole Source _____ (If none report, attach Request for Example Form)

Item 17 - File 147-91-5

Department: San Francisco Public Library

Item: Resolution authorizing the City Librarian to apply for, accept and expend State grant funds.

Amount of Grant: Not to exceed \$3,100,000

Source of Funds: California Library Construction and Renovation Bond Act of 1988, through the California State Library

Grant Period: Construction must begin by August 31, 1992. No specific grant period is specified.

Grant Project: Chinatown Branch Library Renovation/Expansion

Project Description: The Public Library is planning to use the proposed State grant funds to expand the scope of work for the Chinatown Branch Library which is the City's busiest branch. Using 1988 Library Improvement Bond Funds, the City is renovating and improving several branch libraries. The City is using such bond funds at the Chinatown Branch for seismic upgrading, accessibility to the disabled and improved electrical wiring. The proposed State grant funds will allow the Library to double the size of the Chinatown Branch Library and significantly improve both public spaces and the staff work space, thereby enabling additional services to be provided.

The Chinatown Branch, open since 1921, serves that neighborhood's 43,000 residents as well as the Chinese and Vietnamese speaking and reading communities of San Francisco and the Bay Area. The Chinatown Branch's 4,500 square feet of public space is too small to accommodate current use. Typically, readers overflow the 65 user seats and must stand in the aisles or sit on the floor. The 61-person capacity meeting room is frequently used. Users must climb 28 steps to enter the main public area. Recognition of the need for increased space for community facilities, including expansion of Public Library space, is documented in the City Planning Department's reports since 1977.

Additionally, the Chinatown Branch Expansion Project will enable the Public Library to build on existing strengths to provide the full range of services to San Francisco's growing Asian population, giving special attention to Chinatown's population of Asian newcomers, seniors and those engaged in trade with Pacific Rim countries. This

BOARD OF SUPERVISORS
BUDGET ANALYST

service will include expanded collections of books, newspapers and other materials in Asian languages, language tutoring and translation services, meeting room space for cultural and civic programming and space to house electronic workstations used to build, distribute and access information needed by several Asian community agencies and those who work with them.

A major component of the project is to use computers to create online links with other agencies serving this population and to install the electronic wiring and equipment to enable export of the Chinatown Branch's resources to users throughout San Francisco and the Bay Area region.

Additionally, the project includes installation of an elevator which will open the building to the physically handicapped and improve access for Chinatown's sizeable over-65 population (21.2% of Chinatown residents in 1989).

The Public Library staff has discussed and received support for the Chinatown Branch Library expansion from nineteen community agencies, including the Chinatown Environmental Control Task Force, Asian Neighborhood Design, Chinatown Resource Center Chinatown/North Beach Community College Center, and the Chinese Chamber of Commerce.

Project Budget:

| | <u>Grant</u> <u>Funds</u> | <u>Local</u> <u>Match</u> | <u>Total</u> |
|------------------------|------------------------------|------------------------------|------------------|
| <u>Design Phase:</u> | | | |
| Programming | \$0 | \$ 60,000 | \$ 60,000 |
| Bureau of Architecture | 0 | 365,000 | 365,000 |
| Structural Engineer | | 124,000 | 124,000 |
| Mechanical Engineer | | 63,000 | 63,000 |
| Electrical Engineer | | 45,000 | 45,000 |
| Asbestos Investigation | | 7,000 | 7,000 |
| Surveys | | 3,700 | 3,700 |
| | <u>\$0</u> | <u>\$667,700</u> | <u>\$667,700</u> |

BOARD OF SUPERVISORS
BUDGET ANALYST

| | <u>Grant Funds</u> | <u>Local Match</u> | <u>Total</u> |
|-----------------------------|------------------------|------------------------|--------------------|
| <u>Construction Phase:</u> | | | |
| Construction | \$3,016,650 | \$83,350 | \$3,100,000 |
| Construction Contingency | | 324,000 | 324,000 |
| Construction Administration | | 175,000 | 175,000 |
| Construction Inspection | | 175,000 | 175,000 |
| Permit Fees | | 8,000 | 8,000 |
| Testing Lab. | | 34,000 | 34,000 |
| Art Enrichment | | 62,000 | 62,000 |
| Geotechnical | | 10,000 | 10,000 |
| Asbestos Abatement | | 85,300 | 85,300 |
| | <u>\$3,016,650</u> | <u>956,650</u> | <u>3,973,300</u> |
| Project Total | <u>\$3,016,650</u> | <u>\$1,624,350</u> | <u>\$4,641,000</u> |

Local Match: \$1,624,350

Indirect Cost: None

Comments: 1. This grant requires that the City contribute 35 percent in matching funds which the Public Library will provide from the Library Improvement Bond of 1988 (Ordinance 382-89). Ms. Lisa Urbano of the Grants Division of the Controller's Office reports that monies received from the Library Improvement Bond Funds of 1988 are available to meet this match requirement.

2. On May 20, 1991, the Board of Supervisors approved an ordinance (File 97-91-161) requiring that all grant resolutions include indirect costs or the reason why indirect costs cannot be included in the grant. According to Ms. Kathryn Page of the Public Library, the California State Library does not allow indirect costs for this type of grant.

Recommendation: Amend the proposed resolution to state that the California State Library does not allow indirect costs for this type of grant and approve the resolution as amended.

Item 18 - File 68-91-3

Department: Mayor's Criminal Justice Council (MCJC)

Item: Resolution authorizing the Mayor's Criminal Justice Council of the City and County of San Francisco to apply for, accept and expend State funds, to provide allocations, to designate the program coordinator and to place \$32,165 of unallocated funds in reserve.

Amount: \$801,907

Grant Period: July 1, 1991 through June 30, 1992

Source of Funds: California Youth Authority

Project: County Justice System Subvention Program (CJSSP)

Description: The County Justice System Subvention Program (CJSSP), commonly known as the AB-90 Program is a criminal and juvenile justice subvention program. The proposed use of grant funds includes the recommendations from the Youth Services/AB 90 Task Force and the Mayor's Criminal Justice Council's Executive Committee, who incorporated recommendations from several public hearings which were held.

The AB 90 Program as proposed would be used to support the following three major program areas:

1. Nine neighborhood-based community agencies which provide crisis intervention and long term counseling and other support services for both delinquent and status offender youth. Funding for the community-based agencies would cost approximately \$556,109 (See Budget below).
2. Approximately \$178,633 would be used to fund planning, administration, and monitoring activities in the Mayor's Criminal Justice Council.
3. Approximately \$35,000 would be set aside to be used by the San Francisco Juvenile Probation Department to hire a consultant to develop a needs assessment plan for youth referred to the Youth Guidance Center. The needs assessment plan developed would include the youth's medical, educational, vocational, social behavioral and psychological analysis.
4. \$32,165 would be reserved and remain unallocated for expenditures incurred during fiscal year 1991-92 or for

BOARD OF SUPERVISORS
BUDGET ANALYST

additional programs which may become identified during the year.

Fiscal Year 1991-92 will be the thirteenth year of funding for this Program. The following table outlines the FY 1990-91 grant allocations and the proposed FY 1991-92 grant allocations.

| <u>Agency</u> | <u>1990-91 Funding</u> | <u>Proposed FY 1991-92 Funding</u> |
|----------------------------------|----------------------------|--|
| Mayor's Criminal Justice Council | \$170,127 | \$178,633 |
| Adult Probation ISU | 127,950 | -0- |
| Public Defender | 31,313 | -0- |
| Juvenile Probation | -0- | 35,000 |
| Subtotal | \$329,390 | \$213,633 |
| <u>Community Agencies</u> | | |
| Legal Services for Children | 47,637 | 50,019 |
| Morrisania West | 127,915 | 134,311 |
| Chinatown Youth Center | 88,422 | 69,155 |
| San Francisco Educational Svs. | 90,536 | 95,063 |
| Central City Hospitality House | 69,250 | 72,713 |
| Catholic Charities-Mission | 26,044 | 35,000 |
| Catholic Charities-Sunset | 25,000 | 35,000 |
| Catholic Charities-Crisis | | |
| Counseling & Supervision | 16,400 | 35,000 |
| Young Community Developers | 5,152 | 29,848 |
| Subtotal | \$496,356 | \$556,109 |
| Unallocated Funds | -0- | 32,165 |
| Totals | <u>\$825,746</u> | <u>\$801,907</u> |

Mayor's Criminal Justice Council (MCJC) \$178,633

MCJC is responsible for planning, administration and monitoring of special criminal justice programs. The proposed 1991-92 budget is \$8,506 more than the level of funding in 1990-91. The program budget proposal for 1991-92 is as follows:

BOARD OF SUPERVISORS
BUDGET ANALYST

Salaries

| | <u>FTE</u> | |
|-------------------------|------------|---------------|
| Executive Director | .617 | \$39,640 |
| Program Manager | .617 | 36,125 |
| Criminal Specialist II | .617 | 26,223 |
| Criminal Specialist I | .617 | 19,949 |
| Senior Clerk-Typist (2) | .617 | 28,190 |
| Benefits | | <u>10,406</u> |

| | | |
|---------------------|-------|-----------|
| Sub-Total Personnel | 3.085 | \$160,533 |
|---------------------|-------|-----------|

Operating Expenses

| | |
|-----------------------|--------------|
| Office Expenses | \$2,500 |
| Equipment Maintenance | 5,000 |
| Communications: | |
| Telephone | 3,000 |
| Postage | 1,700 |
| Travel | 500 |
| Specialized Services: | |
| Reprographics | 1,800 |
| Rent & Leases: | |
| Copy Machine | <u>3,600</u> |

| | |
|------------------------------|-----------|
| Sub-Total Operating Expenses | \$ 18,100 |
|------------------------------|-----------|

| | |
|------------|-----------|
| Total MCJC | \$178,633 |
|------------|-----------|

| | |
|--|------------------|
| Juvenile Probation Department (JPD) | \$ 35,000 |
|--|------------------|

This is the first year of AB 90 program funding for the Juvenile Probation Department (JPD). The JPD would use the program funds to retain an outside consultant to develop a needs assessment and case management system to develop a service plan for every youth referred to Juvenile Court. The system would evaluate children for health, mental health, substance abuse, educational, vocational, and family problems.

| | |
|-----------------------------------|-----------|
| Legal Services for Children (LSC) | \$ 50,019 |
|-----------------------------------|-----------|

LSC is the centralized and free City-wide legal referral resource for all “status offender” related youth in San Francisco. LSC would receive referrals from agencies funded through AB 90, from agencies which are members of the Status Offender Network and from all other involved public and private youth serving organizations.

BOARD OF SUPERVISORS
BUDGET ANALYST

Morrisania West, Inc.

\$ 134,311

Morrisania West, Inc. would provide educational and counseling services to status and delinquent offenders. Additionally, the organization offers recreational and cultural activities to its clients.

Chinatown Youth Center

\$ 69,155

The Chinatown Youth Center is a crisis prevention and education project which would provide services for young Asian status offenders and their families. In addition to services being provided at the Center, services will also be provided at various sites frequented by Asian language(s) speaking youths and their families utilizing the following formats: audio visual presentations, workshops, discussion groups, newspaper articles, television and radio broadcasts, bilingual brochures, in-service training for schools and other agency personnel.

San Francisco Educational Services

\$ 95,063

San Francisco Educational Services is an educational counseling program which would provide services for minors who are experiencing extreme difficulties in school or who have dropped out of school, and who are considered to be or are in danger of becoming status offenders. The services provided include individual tutoring, assistance with school placement, informal personnel counseling and referral, and ongoing contact and coordinating with all concerned persons and agencies.

Central City Hospitality House

\$ 72,713

Central City Hospitality House would provide services for youth through its Tenderloin Youth Streetwork Program (TYSP). These services include disseminating literature of TYSP to youth on the streets, to hotels and other areas frequented by young people in an effort to divert the youth from drug use and prostitution. Young people contacting TYSP are referred to agencies that provide food, housing, clothing, medical care, legal assistance, job training and referral and other support services.

Catholic Charities - Mission District

\$ 35,000

The program would provide individual and family crisis counseling for Hispanic status offenders and their families. The agency's objective for this counseling is family reunification.

BOARD OF SUPERVISORS
BUDGET ANALYST

Catholic Charities-Sunset

\$ 35,000

The program would provide family and individual crisis counseling and group therapy to the Sunset youth and their families who are referred by the Family Crisis Intervention Unit of the Juvenile Probation Department. The agency's objective is family reunification.

Catholic Charities-Crisis Counseling and Supervision

\$ 35,000

The program would provide direct counseling services to individuals and families and counseling supervision to counselors at Catholic Charities and Young Community Developers.

Young Community Developers

\$ 29,848

Young Community Developers, Inc. would provide individual and family counseling services to residents in the Bayview Hunters Point area.

No. of Persons Served:

Approximately 5,181 youths

Comments:

1. According to Ms. Joyce Smith of the Mayor's Office, there are unallocated funds of \$32,165 included in this budget because after adjusting for a cost of living adjustment for the community based organizations, there was \$32,165 in funds remaining. As noted, these funds would be reserved, for release by the Finance Committee, under the proposed legislation, to be used for either expenditure increases or additional programs identified during FY 1991-92.

2. Ms. Smith reports that the Juvenile Probation Department has not yet chosen a consultant to perform the needs assessment plan. Also, the Juvenile Probation Department has not finalized cost details for the consultant's budget. Therefore, the Budget Analyst recommends that the \$35,000 budgeted for the Juvenile Probation Department be reserved pending finalized cost details and the selection of a contractor.

3. The proposed grant funds of \$801,907 is approximately 2.9 percent less than the FY 1990-91 grant funds of \$825,746.

4. Attached is the "Summary of Grant Request" as prepared by the Mayor's Office.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
June 12, 1991

- Recommendation:**
1. Reserve the \$35,000 budgeted for the Juvenile Probation Department.
 2. Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Mayor
 Contact Person MICHAEL CARDIFF/ED NELSON
 Address 4241 WILLIAMSBOURGH DRIVE
SACRAMENTO, CALIFORNIA 95823
 Amount Requested \$ 801,907
 Term: From JULY 1, 1991 To JUNE 30, 1992
 Health Commission _____ Board of Supervisors: Finance Committee _____
 Full Board _____

Division MAYOR
 Section CRIMINAL JUSTICE COUNCIL
 Contact Person JOYCE O. SMITH
 Telephone (415) 554-6560
 Application Deadline STATE ALLOCATION
 Notification Expected JUNE, 1991

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of \$ 801,907 from the period of July 1, 1991 to June 30, 1992 to provide crisis intervention, alternative sentencing, and planning research services.
 (Circle appropriate words)

II. Summary: (Concise summary, need addressed; number & groups served; services and providers)

Nine neighborhood-based community agencies provide crisis intervention and long term counseling for status offenders and delinquent youth under terms of a citywide plan (per a Board resolution) for this client population; alternative sentencing programs for high risk juvenile offenders; to fund planning, administration, research and monitoring activities at MCJC.

III. Outcomes/Objectives:

IV. Effects of Reduction or Termination of These Funds:

A reduction of these funds (depending on the size of the reduction) could create layoffs. Termination could cause the community based agencies to close down their programs and public departments to layoff staff.

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Year/Orig. | Col. C Proposed | Col. D Change | Req. Match | Approved by |
|------------------|-------------------------|---------------------------|--------------------|------------------|------------|-------------|
| Grant Amount | \$1,676,795 | \$825,076 | \$801,907 | -(\$ 23,269) | N/A | |
| Personnel | 889,044 | 303,351 | 191,633 | -(111,718) | | |
| Equipment | 1,700 | 711 | -0- | -(711) | | |
| Contract Svc. | 727,026 | 496,356 | 556,109 | + 59,753 | | |
| Mat. & Supp. | 53,025 | 25,061 | 22,000 | -(3,061) | | |
| Facilities/Space | -0- | -0- | -0- | -0- | | |
| XXXXX Travel | 6,000 | 267 | -0- | -(267) | | |
| Indirect Costs | | | | | | |

VI. Data Processing \$32,165 of the 1991/92 funds are unallotted.

(costs included above)

N/A

VII. Personnel

F/T CSC _____
 P/T CSC _____
 Contractual _____
 52 (6 FTE & 46 PT)

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
 Department Budget for CSC employees.

VIII grant funded employees be retained after this grant terminates? If so, How?

•VIII. Contractual Services: Open Bid _____ Sole Source _____
 (if sole source attach Request for Exemption Form)

Item 19 - File 270-91-3

Department: Department of Social Services (DSS)

Item: Resolution approving an expenditure from the Mayor's Earthquake Emergency Relief Funds of \$715,000 for completion of rehabilitation of two multi-service shelters to accommodate persons displaced by the 1989 earthquake and for relocation and safety projects related to rehabilitation.

Amount: \$715,000

Source of Funds: Earthquake Emergency Relief Fund

Description: Section 10.117-90 of the Administrative Code established the Mayor's Earthquake Emergency Relief Fund for the purpose of providing relief from the 1989 earthquake. The Controller's Office reports that the fund has a current balance of \$1,384,799. The DSS is proposing to expend a total of \$715,000 from the fund as follows: (1) \$670,000 for the completion of the rehabilitation of the homeless multiservice shelters located at 525 5th Street and 1001 Polk Street; (2) \$15,000 for the relocation of clients housed at the Polk Street shelter, while the shelter is under construction and (3) \$30,000 for the installation of a traffic light at the corner of 5th and Bryant Streets to create a safe pedestrian walkway for clients of the 5th Street shelter.

The DSS reports that the Department of Public Works (DPW) originally estimated that construction costs for the 5th Street shelter and the Polk Street shelter would total \$3,217,553 and \$2,549,447 respectively. However, these original estimates were exceeded due to unanticipated field conditions encountered during the construction on the 5th Street shelter and the unanticipated need for the replacement of the ventilation system at the Polk Street shelter. Specific construction cost increases, based on Department of Public Works (DPW) estimates, for both shelters are detailed below:

| | |
|--|---------------|
| <u>5th Street Shelter</u> | |
| Dewatering and Shoring of Basement | \$155,000 |
| Permit Cost Revisions | 70,000 |
| Asbestos Abatement | 66,000 |
| Structural Reinforcement to meet Seismic | |
| Safety Standards | 69,000 |
| Window Repairs | 30,000 |
| Construction Management and Inspection | |
| Fees (DPW) | 22,000 |
| Contractor On-Site Costs | 59,000 |
| Items not included in Bid Documents | <u>90,000</u> |
| Subtotal | \$561,000 |

BOARD OF SUPERVISORS
BUDGET ANALYST

Polk Street Shelter

| | |
|--|------------------|
| Replacement of Ventilation System | \$82,000 |
| Construction Management and Inspection | |
| Fees (DPW) | <u>27,000</u> |
| Subtotal | <u>\$109,000</u> |
| Total | <u>\$670,000</u> |

Ms. Tara Lamont of the DPW reports that an amount of \$90,000 for certain items (i.e., window details, lighting and electrical work, fire extinguishers, grouting of cracks and beams, etc.) were not included in the original bid documents for the Fifth Street Shelter project because the documents had to be developed quickly, due to the emergency nature of the project.

Construction on the Polk Street shelter is tentatively scheduled to begin August 1, 1991. The DPW anticipates that construction on the shelter would be completed by the end of January, 1992. The DSS is requesting a total of \$15,000 to temporarily relocate 120 clients from the Polk Street shelter, during the time the shelter is under construction. Ms. Judy Schutzman of the DSS reports that the Department is in the process of negotiating for alternative space, at a building site in the Tenderloin area. Ms. Schutzman advises that the owners of the building have tentatively agreed to donate the space, at no cost, as a gesture of good will and community support. The \$15,000 would be used to pay for moving costs (i.e., beds, office furniture) and telephone installation at the alternate site. Ms. Schutzman advises that the Department plans to relocate the clients on or immediately prior to August 1, 1991.

The DSS reports that the Department of Parking and Traffic has surveyed the intersection of Bryant and 5th Streets and has recommended that a traffic light and a pedestrian cross-walk be installed at the freeway on-ramp adjacent to the 5th Street shelter to create a safe walkway in order to make the 5th Street shelter and a nearby bus stop more easily accessible to pedestrians. Mr. Tim Johnson of the Department of Parking and Traffic advises that the intersection at Bryant and 5th Streets has become more hazardous due to traffic being diverted from Interstate 280 as a result of earthquake damage. The Department of Parking and Traffic has estimated that the cost to install the traffic light and pedestrian cross-walk will total approximately \$30,000. Mr. Johnson advises that the Department does not have sufficient funds budgeted in its proposed 1991-92 budget to pay for the installation of the traffic light. As such, DSS is proposing to use the Earthquake Emergency Relief Funds, in order to expedite the installation of the traffic light. Mr. Johnson advises that the Department of

BOARD OF SUPERVISORS
BUDGET ANALYST

Parking and Traffic is seeking funds from the State for damage caused by the earthquake to City facilities. Mr. Johnson states that should State funds become available, the Department would seek reimbursement for the installation of the traffic light and would use these funds to reimburse the Earthquake Emergency Relief Fund.

Recommendation: Approve the proposed resolution.

Item 20 -File 143-91-1

Department: Police Department

Item: Resolution authorizing the Chief of Police to apply for, accept and expend a continuation State grant in the amount of \$125,431, which includes \$6,272 in Indirect Costs.

Amount: \$125,431

Source of Funds: California Office of Criminal Justice Planning (OCJP)

Grant Period: July 1, 1991 through June 30, 1992

Project Title: San Francisco Police Department's Drug Abatement Project

Description: The proposed grant will primarily target major violators engaged in illicit distribution, sales, trafficking and financing of narcotics on an interstate or international basis, as well as some mid-level drug traffickers involved in the purchase and distribution of large amounts of controlled substances including cocaine, heroin and methamphetamine. The project will concentrate on the use of City hotels and motels as the focal point to apprehend drug couriers and dealers.

The Hotel Council, a non-profit business association of hotel owners and managers, is used as a resource to instruct hotel personnel in the patterns, characteristics and trends used by narcotic traffickers. The investigators assigned to the project will begin developing and cultivating sources of information within the hotel/motel industry and begin investigative procedures, including information sharing, identification of targets, and providing assistance to outside agencies as needed, and providing training to hotel staff as it may apply.

Grant Budget:

| | | |
|------------------------------|---------------|--------------|
| Personnel: | | |
| 1 Class 8260 Criminalist | \$40,140 | |
| 1 Q50 Sergeant | <u>51,770</u> | |
| Subtotal | | \$91,910 |
| Fringe Benefits | | 21,389 |
| Confidential Informant Funds | | 3,000 |
| Travel (OCJP) Requirement | | 1,360 |
| Indirect Cost | | 6,272 |
| Audit Cost | | <u>1,500</u> |
| Total | | \$125,431 |

Local Match: None

Indirect Costs: \$6,272 or five percent of total grant.

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments:

1. According to Captain Charles Hoenisch of the Police Department, the proposed grant of \$125,431 would result in a decrease of \$42,019 or 25 percent from the budget of FY 1990-91. Captain Hoenisch advises that the FY 1990-91 grant of \$74,450 was added to a FY 1989-90 surplus of \$93,000, for a total FY 1990-91 budget of \$167,450.
2. Captain Hoenisch reports that the proposed grant would continue the funding for a Class 8260 Criminalist and would replace a Class Q380 Inspector position with a Class Q50 Sergeant at the same rate of pay. Last year's grant included funding for an additional Police Officer at a yearly salary of \$43,434 plus benefits. The proposed grant does not include that position.
3. Captain Hoenisch advises that if grant funds are terminated or reduced, personnel will be terminated or reduced accordingly.
4. The proposed salaries include salary standardization. Since salary standardization was not approved, the excess funds will be used for confidential informant funds and overtime pay. Confidential Informant funds are fees paid to hotel and motel staff for providing the Police Department with information regarding possible drug activity.
5. It is possible that if additional funds are made available by the State Office of Criminal Justice Planning, this grant could be augmented at a later date. According to Mr. Jim Buick of the Mayor's Office, such additional funds would be used to extend the grant period. Because the State may need to appropriate these funds quickly, a delay may result in loss to the City of those additional fines. Therefore, the proposed resolution contains the phrase "including any extensions or amendments thereof" so that the grant may be extended in a timely fashion. If approved, the Police Department would not have to request approval of the Board of Supervisors for any future augmentations to this grant. The previous resolution for this grant, which contained this same language, was approved by the Board of Supervisors.

6. The proposed continuation grant is one of four projects included in this Report to the Finance Committee as follows:

| <u>Item</u> | <u>File Number</u> | <u>Grant Amount</u> |
|-------------------|--------------------|---------------------|
| Adult Probation | 130-91-3 | \$ 170,795 |
| District Attorney | 138-91-4 | 300,206 |
| Police * | 143-91-1 | 125,431 |
| Sheriff | 152-91-3 | <u>76,469</u> |
| Total | | \$672,901 |

* This project

7. The application deadline for this grant is June 11, 1991. Therefore, the proposed resolution should be amended to authorize the Department to apply for the proposed grant retroactively.

8. Attached is the "Summary of Grant Request" as prepared by the Police Department.

Recommendation: Amend the proposed resolution to allow the Department to apply for the grant retroactively. Approve the proposed resolution as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

OFFICE OF CRIM JUST PLANNING

Contact Person KATHY ANDERSON
 Address 1130 K ST. SUITE 300
SACRAMENTO, CA. 95814
 Amount Requested \$125,431
 Term: From 7/1/91 To 6/30/92

Division SAN FRANCISCO POLICE DEPT
 Section NARCOTICS BUREAU
 Contact Person SGT. JOHN HALLISY
 Telephone 415 555 7970
 Application Deadline JUNE 10, 1991
 Notification Expected _____

Board of Supervisors: Finance Committee _____

Full Board _____

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of \$125431 from the period of 7/1/91 to 6/30/92 to provide HOTEL/HOTEL PROFITING services.

II. Summary: (Concise summary of need, objectives, results, and previous work)

THIS PROGRAM WILL PRIMARILY TARGET MAJOR VIOLATORS TRAFFICKING NARCOTICS IN SAN FRANCISCO USING HOTELS/HOTELS AS A BASE FOR THEIR OPERATIONS. THIS PROGRAM WILL ALSO TARGET MID-LEVEL DRUG TRAFFICKERS INVOLVED IN THE PURCHASE AND DISTRIBUTION OF CONTROLLED SUBSTANCES.

III. Outcomes/Objectives:

THE PROJECT IMPACT WILL BE TO ARREST MAJOR DRUG TRAFFICKERS AND COURIERS. ANTICIPATED THIS PROJECT WILL HAVE A POSITIVE EFFECT ON THE AMOUNT OF DRUGS SMUGGLED INTO THE BAY AREA AND ALSO A POSITIVE EFFECT ON THE STAFFS OF THE HOTELS/HOTELS

IV. Effects of Reduction or Termination of These Funds:

TERMINATION OR REDUCTION OF THESE FUNDS WILL SIGNIFICANTLY IMPACT THE OPERATION OF THIS PROGRAM

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Year/Orig. | Col. C Proposed | Col. D Change | Req. Match | Approved by |
|------------------|-------------------------|---------------------------|--------------------|------------------|------------|-------------|
| Grant Amount | <u>\$166748</u> | <u>\$74450</u> | <u>\$125431</u> | <u>+\$50981</u> | <u>N/A</u> | |
| Personnel | <u>\$156052</u> | <u>\$69585</u> | <u>\$113299</u> | <u>+\$43714</u> | | |
| Equipment | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | | |
| Contract Svc. | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | | |
| Mat. & Supp. | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | | |
| Facilities/Space | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | | |
| Other AUDIT | <u>\$1667</u> | <u>\$742</u> | <u>\$1500</u> | <u>+\$758</u> | | |
| Indirect Costs | <u>\$18337</u> | <u>\$3460</u> | <u>\$6272</u> | <u>+\$2812</u> | | |
| TRAVEL | <u>\$663</u> | <u>\$633</u> | <u>\$1360</u> | <u>+\$727</u> | | |

VI. Data Processing

(none included above)

N/A

VII. Personnel

| | 1 | 3 | 2 | | |
|-------------|-------------|----------|----------|--|--|
| F/T CSC | <u>1</u> | <u>3</u> | <u>2</u> | | |
| P/T CSC | <u>8 04</u> | <u>0</u> | <u>0</u> | | |
| Contractual | | | | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

SAN FRANCISCO POLICE DEPT BUDGET

Will grant funded employees be retained after this grant terminates? If so, how?

CONTINGENT ON AVAILABILITY OF FUNDING

VIII. Contractual Services: Open Bid _____

Sole Source _____

(if sole source, attach Request for Exception Form)

Item 21 -File 130-91-3

Department: Adult Probation

Item: Resolution authorizing the Chief Adult Probation Officer to apply for, accept and expend a continuation State grant in the amount of \$170,795, which includes Indirect Costs in the amount of \$8,540.

Amount: \$170,795

Source of Funds: California Office of Criminal Justice Planning (OCJP)

Grant Period: July 1, 1991 through June 30, 1992 (12 months)

Project Title: San Francisco Adult Probation's Drug Abatement Project

Description: The San Francisco Adult Probation's Drug Abatement Project targets street-level drug offenders and provides assistance for drug offenders through field surveillance, frequent drug testing and close supervision of probationers' participation in treatment. This program will continue to provide frequent drug testing of probationers and close supervision of probationers' progress in treatment. Field surveillance will be used as necessary to insure frequent contacts with probationers, and verification of residence, employment and general compliance with conditions of probation.

Part of the project will consist of working with female probationers who are pregnant drug users, particularly users of crack cocaine, and drug-using mothers of small children. The goal will be not only the rehabilitation of the probationers but the protection of their children. The project will also concentrate on offenders aged 18 to 21 who are involved in drug sales and gang activity.

| | | |
|----------------------|--|---------------|
| Grant Budget: | Personnel: | |
| | 2 8442 Senior Probation Officers | |
| | (Full time) including night differential | |
| | pay for 25% of hours | \$ 91,176 |
| | 1 1426 Sr Clerk Typist (Full time) | <u>28,113</u> |
| | Subtotal | \$119,289 |

BOARD OF SUPERVISORS
BUDGET ANALYST

| | |
|----------------------------------|------------------|
| Fringe Benefits | 22,265 |
| Travel (OCJP Requirement) | 3,246 |
| Material and Supplies | 1,500 |
| Indirect Cost (5% total grant) | 8,540 |
| Drug Testing Supplies & Analysis | 14,247 |
| Audit Cost (1% total grant) | 1,708 |
| Total | <u>\$170,795</u> |

Local Match: None

Indirect Cost Rate: 5% or \$8,540 of project costs.

Comments:

1. According to Ms. Joyce O. Smith of the Adult Probation Department, the proposed grant provides for a continuation of the existing Adult Probation's Drug Abatement Project.

2. Personnel costs do not include salary standardization.

3. Last year's grant was for \$121,050 for six months, or \$20,175 per month. This year's request is for \$170,795 for 12 months, or \$14,233 per month. This is because the FY 90-91 toxicologist position, at \$3,291 per month plus benefits, has been eliminated. Instead, Ms. Smith reports that drug testing and analysis will be contracted out to Farm Chemicals or a less expensive source, per Proposition J requirements at a cost of \$1,187 per month. In addition, the Materials and Supplies budget has been reduced from \$2,657 per month to \$125 per month.

4. It is possible that if additional funds are made available by the State Office of Criminal Justice Planning, this grant could be augmented at a later date. According to Mr. Jim Buick of the Mayor's Office, such additional funds would be used to extend the grant period. Because the State may need to appropriate these funds quickly, a delay may result in loss to the City of those additional funds. Therefore, the proposed resolution contains the phrase "including any extensions or amendments thereof" so that the grant may be extended in a timely fashion. If approved, the Adult Probation Department would not have to request approval of the Board of Supervisors for any future augmentations to this grant. The previous resolution for this grant, which contained this same language, was approved by the Board of Supervisors.

5. Ms. Smith advises that if the proposed grant is terminated or reduced, personnel will be terminated or reduced accordingly.

BOARD OF SUPERVISORS
BUDGET ANALYST

6. The proposed continuation grant is one of four projects included in this Report to the Finance Committee as follows:

| <u>Item</u> | <u>File Number</u> | <u>Grant Amount</u> |
|-------------------|--------------------|---------------------|
| Adult Probation * | 130-91-3 | \$ 170,795 |
| District Attorney | 138-91-4 | 300,206 |
| Police | 143-91-1 | 125,431 |
| Sheriff | 152-91-3 | <u>76,469</u> |
| Total | | \$672,901 |

* This project

7. The application deadline for this grant is June 11, 1991. Therefore, the proposed resolution should be amended to authorize the Department to apply for the proposed grant retroactively.

8. Attached is the "Summary of Grant Request" as prepared by the Adult Probation Department.

Recommendation: Amend the proposed resolution to authorize the Department to apply for this grant retroactively. Approve the proposed resolution as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

Grantor Office of Criminal Justice Planning
 Contact Person Judy O'Neal
 Address 1130 K Street, Suite 300
Sacramento, CA 95814
 Amount Requested \$ 170,795
 Term: From 07/01/91 To 06/30/92

Division Adult Probation
 Section Community Services
 Contact Person Joyce O. Smith
 Telephone 554-6561
 Application Deadline June 10, 1991
 Notification Expected Pass resolution to
apply for, accept and expend funds
 Board of Supervisors: Finance Committee
Full Board

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a)
 (Circle appropriate words) grant in the amount of \$ 200,294 from the period of 07/01/91 to 06/30/92
 to provide drug offender intensive supervision services.

II. Summary: (Concise history, need statement, number & groups served, services and providers)

The serious drug problem places a heavy demand on the resources of medical, social service and enforcement agencies. The involvement of criminal street gangs in drug sales is increasing, as well as the number of women with children and pregnant women who are drug abusers. For Adult Probation this means both a rising workload and a large increase in the proportion of the total workload which involves drugs. This program will provide intensive supervision for selected high risk drug offenders, with a focus on women who are pregnant or have small children and young male offenders.

III. Outcomes/Objectives:

The Program will continue to provide frequent drug testing of probationers and close supervision of probationers' progress in treatment. The two caseloads will not exceed 25 cases each. Field surveillance will be used as necessary to insure frequent contacts with probationers and for verification of residence, employment and general compliance.

IV. Effects of Reduction or Termination of These Funds:

The reduction or termination of these funds will overwhelm the Community Services units due to the number of probationers either selling or using drugs.

V. Financial Information:

| | 18 mos. Col. A | 6 mos. Col. B | Col. C | Projected Col. D | Req. Match | Approved by |
|------------------|-------------------|------------------|-----------|---------------------|------------|-------------|
| | Two Years Ago | Past Year/Orig. | Proposed | Change | | |
| Grant Amount | 340,878 | 101,376 | 170,795 ✓ | (31,957) | N/A ✓ | |
| Personnel | 266,097 | 77,718 | 141,554 | 13,882 | | |
| Equipment | -0- | -0- | 14,247 | 14,247 | | |
| *Contract Svc. | -0- | -0- | -0- | -0- | | |
| Mat. & Supp. | 50,881 | 15,943 | 1,500 | (30,386) | 14,443 ? | |
| Facilities/Space | -0- | -0- | -0- | -0- | | |
| Other Audit | 3,409 | 1,014 | 1,708 | (320) | | |
| Indirect Costs | 17,044 | 5,069 | 8,540 ✓ | (1,598) | | |
| Travel | 3,447 | 1,632 | 3,246 | (18) | | |

VI. Data Processing

(costs included above)

VII. Personnel

| | 3 | 3 | 3 | | |
|-------------|---|---|---|--|--|
| F/T CSC | | | | | |
| P/T CSC | 1 | 1 | 1 | | |
| Contractual | | | | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
Adult Probation's budget

Will grant funded employees be retained after this grant terminates? If so, How?
Contingent on availability of funds

*VIII. Contractual Services: Open Bid _____ Sole Source _____ (if sole source, attach Request for Exception Form)

Item 22 - File 138-91-4

Department: District Attorney

Item: Resolution authorizing the District Attorney to apply for, accept and expend a continuation State grant in the amount of \$300,206, which includes \$15,010 in Indirect Costs.

Amount: \$300,206

Source of Funds: California Office of Criminal Justice Planning (OCJP)

Grant Period: July 1, 1991 through June 30, 1992

Project Title: San Francisco District Attorney's Drug Abatement Project

Description: The District Attorney's Drug Abatement Project provides staff to focus on a more aggressive prosecution of an increasing number of drug-related cases. The continuation of the assignment of 2.37 FTE attorneys and .19 FTE investigators allows for the singling out of significant narcotics sources and offenders for intensive investigation and prosecution.

The staff in the District Attorney's Office assigned to this Project will focus on major and mid-level drug offenders and gang-related offenders. The gang-related drug offenders have been added as a target to this project due to an increase in gang activity. This unit will be responsive to various local/State/federal task forces which are attacking major and mid-level offenders.

Grant Budget:

| | |
|------------------------------------|--------------|
| Personnel: | |
| 8182 Head Attorney (.07 FTE time) | \$6,835 |
| 8180 Principal Attorneys (.30 FTE) | 25,938 |
| 8180 Principal Attorneys (2.0 FTE) | 181,346 |
| 8146 Investigator (.14 FTE) | 6,677 |
| 8132 Investigator (.05 FTE) | <u>1,722</u> |
| Subtotal | \$222,518 |
| Fringe Benefits | 58,576 |
| Travel (O.C.J.P. Requirement) | 1,100 |
| Indirect Cost | 15,010 |
| Audit Cost | <u>3,002</u> |
| Total | \$300,206 |

Local Match: None

Indirect Cost Rate: 5% or \$15,010 of project costs.

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments:

1. According to Ms. Bridget Bane in the District Attorney's Office, the proposed grant provides for a continuation of the District Attorney's Drug Abatement Project.
2. Ms. Bane advises that if the grant is terminated or reduced, personnel will be terminated or reduced accordingly.
3. Personnel costs do not include salary standardization.
4. It is possible that if additional funds are made available by the State Office of Criminal Justice Planning, this grant could be augmented at a later date. According to Mr. Jim Buick of the Mayor's Office, such additional funds would be used to extend the grant period. Because the State may need to appropriate these funds quickly, a delay may result in loss to the City of those additional funds. Therefore, the proposed resolution contains the phrase "including any extensions or amendments thereof" so that the grant may be extended in a timely fashion. If approved, the District Attorney would not have to request approval of the Board of Supervisors for any future augmentations to this grant. The previous resolution for this grant, which contained this same language, was approved by the Board of Supervisors.
5. The proposed continuation grant is one of four projects included in this Report to the Finance Committee as follows:

| <u>Item</u> | <u>File Number</u> | <u>Grant Amount</u> |
|---------------------|--------------------|---------------------|
| Adult Probation | 130-91-3 | \$ 170,795 |
| District Attorney * | 138-91-4 | 300,206 |
| Police | 143-91-1 | 125,431 |
| Sheriff | 152-91-3 | <u>76,469</u> |
| Total | | \$672,901 |

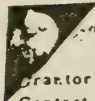
* This project

6. The application deadline for this grant is June 11, 1991. Therefore, the proposed resolution should be amended to authorize the Department to apply for the proposed grant retroactively.
7. Attached is the "Summary of Grant Request" form as prepared by the District Attorney's Office.

BOARD OF SUPERVISORS
BUDGET ANALYST

Recommendation: Amend the proposed resolution to authorize the Department to apply for the grant retroactively. Approve the proposed resolution as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST



District Attorney - Summary of Grant Request

Rev. 5/10/90

Grantor OFFICE OF CRIMINAL JUSTICE PLANNING
 Contact Person Kathy Anderson
 Address 1130 K Street, Ste. 300
Sacramento, CA 95814
 Amount Requested \$300,206
 Term: From 7/1/91 To 6/30/92

Division District Attorney
 Section Vertical Prosecution Unit
 Contact Person William B. Hunt
 Telephone 415-553-1618
 Application Deadline _____
 Notification Expected _____

Board of Supervisors: Finance Committee _____

Full Board _____

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation) to a grant in the amount of \$300,206 from the period of 7/1/91 to 6/30/92 to provide Vertical Prosecution and Narcotic Civil Abatement services.

II. Summary: (Concise summary, need addressed; number + groups served; services and providers)

The Vertical Prosecution and Narcotic Civil Abatement unit will enable the District Attorney's Office to address mid level and major drug dealers. This unit complements the Police Department Administrative Narcotic Unit which targets mid and upper level dealers and their drug houses. The unit also serves State, Federal and other Local Drug Task Forces which target drug distributors and suppliers.

III. Outcomes/Objectives:

It is anticipated that this program will disrupt mid and upper level drug trafficking. The Vertical Unit will target these offenders and seek maximum terms of confinement.

IV. Effects of Reduction or Termination of These Funds:

The crack epidemic continues to strain the resources of the District Attorney's Office. A reduction or termination of these funds will overwhelm the Narcotic Prosecution Unit and will adversely affect the ability to handle Vertical Prosecutions.

V. Financial Information:

| | 18-Mo Grant Col. A Two Years Ago | 6-Mo Grant Col. B Past Year/Org. | 12-Mo Grant Col. C Proposed | Based on a 12-Mo Grant Col. D Change | Req. Match | Approved by |
|------------------|--|--|-----------------------------------|--|------------|-------------|
| Grant Amount | 615,140 | 178,189 | 300,206 | -83,029 | ✓ | |
| Personnel | 571,831 | 166,398 | 281,094 | -75,914 | | |
| Equipment | 4,500 | 0 | 0 | -1,500 | | |
| *Contract Svc. | 0 | 0 | 0 | 0 | | |
| Mat. & Supp. | 2,635 | 0 | 0 | -878 | | |
| Facilities/Space | 0 | 0 | 0 | 0 | | |
| Other | 7,034 | 2,882 | 4,102 | -1,125 | | |
| Indirect Costs | 29,140 | 8,909 | 15,010 ✓ | -3,612 | | |

VI. Data Processing

(none included above)

VII. Personnel

| | 18-Mo Grant Col. A | 6-Mo Grant Col. B | 12-Mo Grant Col. C | Based on a 12-Mo Grant Col. D |
|-------------|-----------------------|----------------------|-----------------------|----------------------------------|
| F/T CSC | 4 | 3 | 2 | -1 |
| P/T CSC | 2* | 3* | 4* | +1* |
| Contractual | N/A | N/A | N/A | N/A |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Positions at varying percentages - balance paid by the District Attorney
 General Fund.

Will grant funded employees be retained after this grant terminates? If so, How?

Grant funded employees will be retained contingent upon continued source of funding available.

*VIII. Contractual Services: Open Bid N/A Sole Source N/A (if sole source, attach Request for Example Form)

Item 23 - File 152-91-3

Department: Sheriff

Item: Resolution authorizing the Sheriff to apply for, accept, and expend a continuation State grant in the amount of \$76,469, which includes \$3,823 in Indirect Costs.

Amount: \$76,469

Source of Funds: California Office of Criminal Justice Planning (OCJP)

Grant Period: July 1, 1991 through June 30, 1992

Project Title: San Francisco Sheriff's Drug Abatement Project

Description: The Sheriff's Drug Abatement Project, known as the Anti-Drug Abuse (ADA) Home Detention, confines prisoners in their residence except for periods when they are at work, travelling to and from work, and other brief periods. The prisoner's compliance with the in-home curfew is verified by random phone calls to his home and a unique bracelet confirming the prisoner's presence in his home. ADA Home Detention participants report in person at least three times a week to an assigned Deputy Sheriff for urinalysis to detect drug/alcohol use. Each prisoner also receives mandatory counseling and evaluation for substance abuse.

Grant Budget:

| | |
|---|--------------|
| Personnel: | |
| 1 Class 8304 Deputy Sheriff (Full time) | \$40,820 |
| 1 Class 8274 Sheriff's Cadet (.50 FTE) | <u>9,576</u> |
| Subtotal | \$50,396 |
| Fringe Benefits | 5,324 |
| Travel (OCJP Requirement) | 1,500 |
| Urinalysis Supplies | 9,986 |
| Urinalysis Lab Rental | 2,000 |
| Office Furniture and Supplies | 1,940 |
| Indirect Cost | 3,823 |
| Audit Cost | <u>1,500</u> |
| Total | \$76,469 |

Local Match: None

Indirect Cost Rate: \$3,823 or 5% of project costs.

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments:

1. Last fiscal year, the Sheriff's Drug Abatement Project focused on pre-trial felons. Due to lack of participation, the project has been redesigned to focus on Home Detention. The FY 1990-91 grant of \$81,500 was \$5,031 more than this request. Budgets for the two projects are not similar.

2. According to Mr. Kevin Foster of the Sheriff's Department, if the proposed grant were terminated or reduced, personnel would be terminated or reduced accordingly.

3. Personnel costs do not include salary standardization.

4. Participants in this program pay an administrative fee equal to 20% of their earnings. According to Mr. Roger de Pauw of the Sheriff's Department, these fees will be used toward the rental of monitoring equipment. Monitoring equipment for this program and other existing home detention programs are paid from the same account. Equipment rental and fees are not included in the budget for this project.

5. It is possible that if additional funds are made available by the State Office of Criminal Justice Planning, this grant could be augmented at a later date. According to Mr. Jim Buick of the Mayor's Office, such additional funds would be used to extend the grant period. Because the State may need to appropriate these funds quickly, a delay may result in loss to the City of those additional funds. Therefore, the proposed resolution contains the phrase "including any extensions or amendments thereof" so that the grant may be extended in a timely fashion. If approved, the Sheriff's Department would not have to request approval of the Board of Supervisors for any future augmentations to this grant. The previous resolution for this grant, which contained this same language, was approved by the Board of Supervisors.

6. The proposed new grant is one of four projects included in this Report to the Finance Committee as follows:

| <u>Item</u> | <u>File Number</u> | <u>Grant Amount</u> |
|-------------------|--------------------|---------------------|
| Adult Probation | 130-91-3 | \$ 170,795 |
| District Attorney | 138-91-4 | 300,206 |
| Police | 143-91-1 | 125,431 |
| Sheriff* | 152-91-3 | <u>76,469</u> |
| Total | | \$672,901 |

* This project

BOARD OF SUPERVISORS
BUDGET ANALYST

7. The application deadline for this grant is June 11, 1991. Therefore, the proposed resolution should be amended to authorize the Department to apply for the proposed grant retroactively.

8. Attached is the "Summary of Grant Request" as prepared by the Sheriff's Department.

Recommendation: Amend the resolution to allow the Department to apply for the grant retroactively. Approve the proposed resolution as amended.

No. _____

SHERIFF

- Summary of Grant Request

Rev. 4/10/90

Grantor Office of Criminal Justice Planning Division San Francisco Sheriff's
 Contact Person Judy O'Neal Section County Parole
 Address 1130 K Street, Suite 300 Contact Person Kevin Foster
Sacramento, CA 95814 Telephone (415) 553-1591
 Amount Requested \$ 76,469.00 Application Deadline June 10, 1991
 Term: From 07/01/91 To 06/30/92 Notification Expected _____
 Health Commission _____ Board of Supervisors: Finance Committee _____
 Full Board _____

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a)
 (Circle appropriate words) grant in the amount of \$ 76,469 from the period of 07/01/91 to 06/30/91
 to provide _____ services.

II. Summary: (Concise summary; need addressed; number + groups served; services and providers)

See attached program description of Sheriff's
 Anti-Drug Abuse (ADA) Home Detention Program.

III. Outcomes/Objectives:

Reduction in recidivism of participants and reduction
 in jail overcrowding by freeing a daily average of 15 jail beds.

IV. Effects of Reduction or Termination of These Funds:

No program.

V. Financial Information:

| | Col. A | (8 months) Col. B | Col. C | Col. D | Req. Match | Approved by |
|------------------|---------------|----------------------|----------|--------|------------|-------------|
| | Two Years Ago | Past Year/Orig. | Proposed | Change | | |
| Grant Amount | 0 | 68,254 | 76,469 | +8,215 | 0 ✓ | |
| Personnel | 0 | 47,513 | 55,720 | +8,207 | | |
| Equipment | 0 | 9,960 | 0 | -9,960 | | |
| *Contract Svc. | 0 | 0 | 0 | 0 | | |
| Mat. & Supp. | 0 | 4,647 | 10,926 | +6,229 | | |
| Facilities/Space | 6 | 0 | 0 | 0 | | |
| Other (audit &) | 10 | 2,954 | 3,000 | + 46 | | |
| Indirect Costs | 0 | 3,180 | 3,823 ✓ | + 643 | | |

VI. Data Processing

(none included above)

VII. Personnel

| | 0 | 2 | 1.5 | - .5 |
|-------------|---|---|-----|------|
| F/T CSC | 0 | 2 | 1.5 | - .5 |
| P/T CSC | 0 | 0 | 0 | 0 |
| Contractual | 0 | 0 | 0 | 0 |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Not applicable.

Will grant funded employees be retained after this grant terminates? If so, How?

Contingent on available funding.

*VIII. Contractual Services: Open Bid _____ Sole Source _____ (if sole source, attach Request for Exemption Form)

Item 24 - File 101-90-114

Department: Department of Parking and Traffic (DPT)

Item: Ordinance appropriating funds for the SFGH Parking Facility, Department of Parking and Traffic for Fiscal Year 1990-91.

Amount: \$1,000,000

Source of Funds: Off-Street Parking Fund

Description: The Department of Parking and Traffic (DPT) is requesting an appropriation of \$1,000,000 to pay for architectural design and engineering services associated with the planned San Francisco General Hospital parking facility. The DPT is planning to construct a five-floor 1,000 to 1,200 stall public parking facility on a site adjacent to SFGH, which is bordered by 23rd, 24th and Utah Streets, and San Bruno Avenue.

According to the DPT, the proposed work of the architectural firm would consist of structural design and engineering, preparation of the construction documents, monitoring of the construction and provision of technical assistance as needed.

The Board of Supervisors previously approved and reserved a Supplemental Appropriation Ordinance also totalling \$1,000,000 in January of 1991. Of the total of \$1,000,000 previously reserved, the Finance Committee released a total of \$474,852 to pay for the Environmental Impact Report (EIR) and to begin clean-up of the toxic materials located at the site. The other \$525,148 remains on reserve pending the final cost of the toxic materials clean-up and testing on the site.

Comment: 1. Mr. Kevin Hagerty of the DPT reports that the Department has selected the architectural firm of Fong and Chan (LBE/WBE) to perform the required architectural and engineering services. However, the Department has not completed negotiation of the final service contract, and as such, the Department could not provide details of the terms and conditions of the contract, yet. Therefore, the Budget Analyst recommends that the full amount of this additional \$1,000,000 request be reserved.

BOARD OF SUPERVISORS
BUDGET ANALYST

2. Mr. Hagerty further advises that the Parking and Traffic Commission will soon be considering the proposal to authorize revenue bonds to finance the construction of the parking facility. According to Mr. Hagerty, DPT staff, along with bond consultants, are in the process of determining the financial feasibility of issuing revenue bonds for financing the construction of the parking facility.

3. According to the DPT, the Off-Street Parking Fund would be reimbursed the requested \$1,000,000 through the revenue bonds proposed to be sold to finance the parking facility.

Recommendation: Amend the proposed Supplemental Appropriation Ordinance to reserve the full amount of \$1,000,000 pending the results of the contract negotiations with the proposed contractor and the provision of the number of hours and hourly rates as determined in the contract. Approve the proposed Supplemental Appropriation Ordinance as amended.

Item 25 - File 101-90-115

Department: Department of Parking and Traffic

Item: Supplemental Appropriation Ordinance for capital improvement project (Chinatown Parking Project).

Amount: \$600,000

Source of Funds: Off-Street Parking Fund

Project: Chinatown Parking Project

Description: The proposed ordinance would appropriate \$600,000 from the Off-Street Parking Fund for architectural and engineering services for the planned Vallejo Street/Churchill Alley parking facility. The facility would provide approximately 300 transient parking spaces, and approximately 8,000 to 10,000 square feet of commercial use space on the ground floor.

Comments:

1. The Parking and Traffic Commission has approved the award of these services to an architectural firm, Tai & Associates, at its June 4, 1991 meeting. The Human Rights Commission reports that Tai & Associates is a City-certified MBE firm.
2. Mr. Kevin Hagerty of the Department of Parking and Traffic Department is currently negotiating the contract with Tai & Associates, and contract costs have not yet been finalized. Therefore, the Department of Parking and Traffic was not able to provide a budget for the proposed supplemental appropriation. The Budget Analyst recommends that the \$600,000 be reserved pending finalized cost details.

Recommendations:

1. Reserve the \$600,000 pending finalized contract cost details.
2. Approve the proposed ordinance.

Item 26 - File 101-90-108

Department: Police Department

Item: Supplemental appropriation ordinance for the purchase of equipment.

Amount: \$9,472

Source of Funds: Criminalistics Laboratory Fund

Description: The Criminalistics Laboratory Fund consists of fines imposed on individuals convicted of controlled substance abuse offenses. State law authorizes local governments to use these revenues for purposes related to drug test analysis. The proposed ordinance would appropriate funds from this fund to purchase three pieces of laboratory equipment to be used by the Crime Laboratory to conduct drug test analysis. The Police Department's Crime Laboratory performs the analysis of all narcotics seized by the Police Department. The Crime Laboratory does not presently own the proposed equipment which, according to the Police Department, is necessary to perform faster and more efficient analysis of evidence in narcotics cases. The following lists the laboratory equipment and their prices:

| | |
|--|------------|
| Thermal Cycling Oven (programmed oven that controls the temperature precisely) | \$7,200 |
| Lab Line Shaker Water bath (shakes elements at a constant rate) | 2,000 |
| Vortex Mixer (vibrates samples quickly to homogenize the mixtures) | <u>272</u> |
| Total | \$9,472 |

Comment: The Criminalistics Laboratory Fund currently contains \$9,472 which is the amount of the proposed supplemental appropriation. Sergeant Tom Strong reports that the City must spend all of the monies in the Laboratory Fund before the end of the fiscal year, or the monies will return to the State. As such, the Police Department is requesting the full amount in the Criminalistics Laboratory Fund.

Recommendation: Approve the proposed ordinance.

Item 27 - File 101-90-116

Department: Police Department
Medical Examiner/Coroner

Item: Supplemental appropriation ordinance to fund one Assistant Toxicologist for the Medical Examiner/Coroner and for equipment

Amount: \$202,284

Source of Funds: Senate Bill (SB) 1127 Laboratory Cost Fund

Description: Section 1463.14 of the State Penal Code requires a \$50 fine be imposed on persons convicted of driving under the influence. This \$50 fine is deposited in a special Laboratory Cost Fund to be used exclusively to pay for the cost of performing for the county or a city within a county, analysis of blood, breath or urine for alcohol content or the presence of drugs, or for services related to such analysis. The Police Department is requesting \$202,284 from this special account for the following purposes:

1. To continue to pay the salary, benefits and related material costs for one Assistant Toxicologist position in the Coroner's Office. This Assistant Toxicologist performs drug test analysis, particularly tests related to driving-under-the-influence on behalf of the Police Department.
2. To purchase and install one large capacity freezer that is used to hold serological evidence in the Police Department's Property Control Section. In addition, the Department reports that extensive modifications must be made in the Property Control Section to accommodate the proposed freezer.
3. To purchase a mobile Drinking Under the Influence (DUI) field testing unit, equipped with an intoxilizer. The proposed DUI unit would enable the Police Department to conduct regularly scheduled sobriety checkpoints on dates which have historically produced a high number of DUI offenses such as New Year's Eve and long holiday weekends. In addition, the DUI unit would be used in areas which have traditionally had DUI activity.
4. To purchase equipment for the Crime Laboratory to perform chemical tests.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
June 12, 1991

| | | | |
|----------------|--|------------|-----------|
| Budget: | Assistant Toxicologist | \$62,809 | |
| | Freezer | 50,375 | |
| | Mobile DUI Testing Unit | 63,950 | |
| | Intoxilizer Equipment | 9,950 | |
| | Laboratory Equipment: | | |
| | Centrifuge | 5,800 | |
| | Labconco Fume Hood | | |
| | (Device that draws harmful vapors away) | 8,000 | |
| | Fotodyne Transilluminator | | |
| | (Illuminates slides to help identify substances) | 900 | |
| | Eppendorf Pipets | | |
| | (instruments that measure liquid accurately) | <u>500</u> | |
| | Total | | \$202,284 |

- Comment:**
1. According to the Police Department, the Assistant Toxicologist is currently being paid from a General Fund work order to the Medical Examiner/Coroner. The proposed supplemental would transfer the source of funding for the Assistant Toxicologist to the SB 1127 Laboratory Cost Fund beginning in FY 1991-92 for a savings to the General Fund.
 2. The SB 1127 Laboratory Cost Fund currently contains \$202,284 which is the amount of the proposed supplemental appropriation. Sergeant Tom Strong of the Police Department reports that the City must spend all of the Laboratory Cost Fund before the end of the fiscal year or the monies will return to the State. Sgt. Strong advises that the actual price for the freezer is approximately \$10,000 to \$20,000 more than the price quoted above. The difference is the cost for additional shelves. Sgt. Strong reports that the Police Department will request the additional \$10,000 to \$20,000 next fiscal year in another supplemental appropriation using the SB Laboratory Cost Fund.

Recommendation: Approve the proposed ordinance.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 28 - File 101-90-117

Department: Police Department

Item: Ordinance appropriating funds to the Police Department for various purposes.

Amount: \$1,966,979

Source of Funds: Federal Narcotics Forfeitures and Seizures Fund

Description: As recommended by the Police Commission and the Executive Committee of the Mayor's Criminal Justice Council, the proposed supplemental appropriation ordinance would allocate \$1,966,979 from the Narcotics Forfeiture and Asset Seizure Fund for 1991-92. The Police Department proposes the following expenditure budget:

Investigations Division:

Upgrade of Automated Fingerprint Identification System (AFIS) computer system for identifying and comparing fingerprints \$90,000

Funds would provide for the first year of a four-year lease upgrade of the system, which would allow the computer system to be compatible with the State system.

AFIS Maintenance contract 137,000
Amount would pay for on-going maintenance contract for the AFIS upgrade.

Silver recovery hazardous materials recovery system 7,700
Amount would provide for purchase of system that recovers silver from the hazardous liquids used in the Photo laboratory.

Safety Supplies 2,140
Amount would provide for purchase of face mask with communications equipment for the Department's underwater recovery unit.

Subtotal Investigations Division \$236,840

BOARD OF SUPERVISORS
BUDGET ANALYST

Enforcement Division:

| | |
|---|-----------|
| Overtime - Uniform | \$450,000 |
| Funds for overtime would be used by the Narcotics Unit. The amount requested provides for 13,427 hours of overtime allocated to one Captain, two Lieutenants, 24 Inspectors/Sergeants, and 90 Officers. The Police Department expects to use 6,715 hours for court prosecution, 3,356 hours for physical arrests, and 3,356 hours for investigations. | |
| Electricity, Heat and Water | 48,000 |
| Projected utilities cost of Narcotics Unit Offices. | |
| Telephone | 35,050 |
| Funds provide for telephone service for Narcotics Unit Offices (\$10,000), pager rental (\$2,250), purchase of 20 cellular phones and monthly service(\$21,000), and FAX machine lease (\$1,800) | |
| Copy machine rental | 7,500 |
| Other Contractual Services | 5,000 |
| Maintenance contract for alarm system of Narcotics Unit Office | |
| Rental of Property | 9,600 |
| Rental cost of Narcotics Office at 1815 Egbert Street at \$800 per month. | |
| Materials and Supplies | 6,800 |
| Supplies include 400 rolls of film, video tape, four binoculars, eight tape recorders, batteries, and narcotic test kits. | |
| Communication equipment | 7,850 |
| Funds would provide for purchase of communications base station, which is used for under-cover transmitting and receiving of taped conversations. | |

BOARD OF SUPERVISORS
BUDGET ANALYST

| | |
|---|-----------|
| Data Processing equipment | \$5,000 |
| Controller unit for existing computer terminals. | |
| Other equipment Lease/Purchase | 48,000 |
| Funds would provide for purchase of 800 Mhz radio system to be used in narcotics investigations. Existing 450 Mhz radios would be redistributed to other Divisions. | |
| Services of other Departments - Electricity | 15,000 |
| Funds provide for maintenance of Narcotics Division radios by Department of Electricity. | |
| Automotive Maintenance, Central Shops | 90,000 |
| Funds would be used for maintenance of 40 Narcotics Division vehicles at \$2,250 per year. | |
| Building Maintenance | 36,000 |
| Subtotal, Enforcement Division | \$763,800 |
| Miscellaneous Services of other Departments - District Attorney | |
| The District Attorney presently has one Principal Attorney and one Assistant Investigator funded through the Narcotics Forfeiture and Asset Seizure Fund to prosecute asset forfeiture investigations. The Police Department proposes to fund two additional positions (one Principal Attorney and 1 Head Attorney) to obtain search and arrest warrants for night operations and for increased legal assistance on narcotics cases | |
| 2 Principal Attorneys | \$182,328 |
| 1 Head Attorney | 100,503 |
| Assistant Investigator | 35,440 |
| Mandatory Fringe Benefits | 78,708 |
| Subtotal District Attorney Services | 396,979 |

BOARD OF SUPERVISORS
BUDGET ANALYST

Other Projects

| | |
|--|----------|
| Witness Relocation Program Funds provide for relocation of witnesses of narcotics related crimes. | \$40,000 |
| U.S. Navy Lease-Rental of Property Leased property is used for storage of vehicles seized during drug investigations. | 14,400 |
| SAFE Anti-Drug Program Funding would provide for one additional position for Safety Awareness for Everyone Program to work on the formation of Neighborhood Watch groups in conjunction with the Community Police Officer Patrol Program. | 30,000 |
| Police Activities League (PAL) Program- Oceanview Playground Funding would enable continuation of program which places Police Officers at the Playground in connection with PAL recreation activities programs to provide a deterrent to drug dealing at the playground, primarily drug traffic- related and to participate in the PAL recreation activities. | 36,000 |
| Substance Abuse Program Funds provide for parent workshop coordinator, parent workshop administration, and 24 part-time officers. | 174,960 |
| Boedekker Park Program Funds would provide for overtime funding to maintain antidrug patrols in the park. | 66,000 |

| | |
|---|--------------------|
| PAL-Boxing Program | \$22,000 |
| Funding would continue a program that enables San Francisco Police Officers to teach boxing, related athletic training skills and provide counseling to a minimum of 60 youth, between nine and fourteen years of age, who are at risk of involvement in drug or gang activities. | |
| Middle School Law Enforcement | 119,000 |
| Funding provides for officer visits to 16 middle schools. Costs are shared with the San Francisco Unified School District. | |
| PAL-Garfield Park Program | 67,000 |
| Funds would provide for overtime funding to maintain antidrug patrols in the park. | |
| Subtotal other projects | <u>\$569,360</u> |
| Total Allocation | <u>\$1,966,979</u> |

Comment:

1. As of June 6, 1991, the Narcotics Forfeiture and Asset Seizure Fund had an uncommitted balance of \$2,012,700.
2. As mentioned above, the Police Commission and the Executive Committee of the Mayor's Criminal Justice Council have recommended the proposed items for 1991-92.
3. Lieutenant Anthony Ribera of the Police Department has advised that the Mayor's Office has requested that this item be continued and heard when the Finance Committee considers the Police Department's FY 1991-92 budget.
4. The Police Department is requesting increased funding for the District Attorney to pay for two additional positions, a Principal Attorney and a Head Attorney. Approval of the new positions is a policy matter for the Board of Supervisors.

Recommendation: Continue the proposed ordinance until June 18, 1991.

Item 29 - File 101-90-119

Department: Police Department

Item: Ordinance appropriating funds for permanent salaries-miscellaneous, differential pay, overtime and holiday pay-uniform, extended work week, and retroactive salaries-uniform; rescinding a total of \$1,556,661 including \$1,253,863 from temporary salaries, permanent salaries-uniform and retirement-City, \$195,396 from Senior Escort Service, permanent salaries and mandatory fringe benefits, and \$107,402 from the Office of Citizen Complaint's permanent salaries, overtime, and mandatory fringe benefits, for Fiscal Year 1990-91; providing for ratification of action previously taken; subject of previous budgetary denial.

Amount: \$7,199,615

Source of Funds: New Appropriation:
\$5,642,954 General Fund, General Reserve

Rescission of previously appropriated funds:

| | |
|----------------|--|
| 67,390 | Temporary Salaries, Police Department |
| 490,714 | Permanent Salaries-Uniform, Police Department |
| <u>695,759</u> | Retirement-Uniform, Police Department |
| \$1,253,863 | Subtotal, Police Department |
| 128,751 | Permanent Salaries, Senior Escort Service |
| <u>66,645</u> | Retirement, Senior Escort Service |
| \$195,396 | Subtotal, Senior Escort Service |
| 73,608 | Permanent Salaries, Office of Citizen Complaints |
| 1,693 | Overtime, Office of Citizen Complaints |
| <u>32,101</u> | Retirement, Office of Citizen Complaints |
| \$107,402 | Subtotal, Office of Citizen Complaints |
| \$1,556,661 | Total Rescissions |
| \$7,199,615 | Total Supplemental Appropriation Request |

Description: The Police Department has requested funds to cover projected budgetary shortfalls in various salary accounts for FY 1990-91. The Department's request is summarized in the table on the following page.

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments:

1. Based on the Police Department's budget for the various salary accounts, the Budget Analyst has projected the Police Department's need for supplemental appropriation as follows:

| | Salaries- Misc. | Differential Pay | Overtime | Holiday Pay | Extended Work Week | Retroactive Salaries |
|--|--------------------|---------------------|------------------|------------------|--------------------------|-------------------------|
| 1990-91 Budgeted | \$13,101,128 | \$132,391 | \$3,479,100 | \$1,907,142 | \$880,316 | |
| Expenditure to-date | <u>11,794,658</u> | <u>664,868</u> | <u>4,757,386</u> | <u>1,899,140</u> | <u>2,550,714</u> | |
| Budgeted amount remaining | \$1,306,470 | (\$532,477) | (\$1,278,286) | \$8,002 | (\$1,670,398) | \$0 |
| Projected Expenditures through 6/30/91 | <u>1,811,980</u> | <u>325,839</u> | <u>1,695,672</u> | <u>189,914</u> | <u>850,238</u> | <u>\$201,737</u> |
| Total Projected Surplus or (Shortfall) | (\$505,510) | (\$858,316) | (\$2,973,958) | (\$181,912) | (\$2,520,636) | (\$201,737) |
| Amount of Supplemental Request | 527,879 | 860,000 | 2,940,000 | 170,000 | 2,500,000 | 201,737 |
| Amount Not Needed or (Needed) | 22,369 | \$1,684 | (\$33,958) | (\$11,912) | (\$20,636) | \$0 |

Based on the above calculations, the Police Department's Requests for Permanent Salaries-Miscellaneous and Differential Pay should be reduced by \$22,369, from \$527,879 to \$505,510, and by \$1,684, from \$860,000 to \$858,316, respectively.

2. In the FY 1990-91 Budget Review, the Budget Analyst noted that overtime appeared to be underbudgeted based on prior years' expenditure patterns. Unless the Department reduced overtime expenditures dramatically, the Budget Analyst had projected that the Police Department would likely request a supplemental appropriation of at least \$1 million. However, because of the demonstrations and events related to the Persian Gulf crisis, the projected deficit for uniform-overtime increased to \$2.94 million, or \$1.94 million more than the \$1 million shortfall projected by the Budget Analyst at the beginning of FY 1990-91.

3. Since these items were the subject of previous budgetary denial, the proposed ordinance requires a two-thirds vote of all members of the Board of Supervisors.

4. The Police Department advises that it has already depleted the accounts for Differential Pay, Overtime, and Extended Work Week. As such, the legislation states that approval of the ordinance would ratify action previously taken.

BOARD OF SUPERVISORS
BUDGET ANALYST

5. Although expenditures for Overtime, Holiday Pay and Extended Work Week are projected to exceed the amounts provided for under this request, the Department advises that it will be able to live within the requested amounts for those accounts.

Recommendation: Amend the proposed ordinance to reduce the amount allocated for Permanent Salaries - Miscellaneous by \$22,369, from \$527,879 to \$505,510, and for Differential Pay by \$1,684, from \$860,000 to \$858,316. Approve the proposed ordinance as amended.

Item 30 - File 101-90-122

Department: Public Health

Item: Supplemental appropriation.

Amount: \$52,638

Source of Funds: Vital and Health Statistics Trust Fund.

Description: 1. The Vital and Health Statistics Trust Fund receives and disburses all fees for certified copies of Birth, Death, Fetal Death and Marriage Dissolution records. Fees were established by Senate Bill 1535 and the Trust Fund was created by ordinance adding Section 10.117.82 to the Administrative Code. Funds may be expended for administrative costs and other costs associated with systems improvement and health records analysis.

2. Assembly Bill 3460 amended SB1535 to require that Trust Fund deposits could no longer be used to replace other County funding. All fee collections subsequent to September 30, 1990 must now be used to augment public health services.

3. This request would continue funding to support four 1424 Clerk Typist positions through the end of this fiscal year. These positions provide mail request and counter staff for the Vital Statistics section and support ongoing automation of birth and death statistics. The table below shows the total funds needed for this fiscal year, the amount already appropriated and the \$52,638 needed for the remainder of the year.

| | <u>Total Funds Needed</u> | <u>Funds Appropriated</u> | <u>Supplemental Appropriation</u> |
|----------------------------|-------------------------------|-------------------------------|---------------------------------------|
| Permanent Salaries | \$ 71,685 | \$ 27,305 | \$ 44,380 |
| Mandatory Fringe Benefits: | | | |
| Retirement | 10,753 | 7,007 | 3,746 |
| Social Security | 5,484 | 3,231 | 2,253 |
| Health Service | 5,975 | 3,734 | 2,241 |
| Unemployment Insurance | 72 | 54 | 18 |
| Total | \$ 93,969 | \$ 41,331 | \$ 52,638 |

Recommendation: Approve the proposed supplemental appropriation.

Item 31 - File 101-90-123

Department: Department of Public Health - San Francisco General Hospital (SFGH)

Item: Supplemental appropriation ordinance.

Purpose: The ordinance would reduce the SFGH Stores Fund in order to eliminate a reserve for a prior year audit adjustment.

Amount: \$ 1,516,882

Source of Funds: San Francisco General Hospital Stores Fund

Description:

1. Prior to fiscal year 1989-90, materials and supplies issued from the SFGH stores inventory but not actually used by operating departments were recorded as inventory. Consequently, such issued but unused materials and supplies were not counted as expenditures. Because this practice provided inadequate inventory accounting control, at the end of fiscal year 1989-90, all stores issues to operating departments of the hospital were recorded as expenditures whether they were actually used or not.
2. The change in accounting practice described above resulted in the overexpenditure of materials and supplies in fiscal year 1989-90 by the amount of \$1,516,882. Under the proposed ordinance, SFGH would fund this overexpenditure by reducing the stores revolving fund by \$1,516,882 from the current level of \$4.5 million to approximately \$3.0 million. This reduction in the revolving fund, according to SFGH administration, will also serve to tighten management control over purchasing practices by reducing the materials and supplies inventory on hand to the lower \$3.0 million amount of the revolving fund.

Comment:

1. The Stores Fund was established by the addition of Administrative Code Section 10.117-30 in 1981. The revolving fund amount was originally set at \$1.35 million at that time.
2. Section 10.117-30 also provides that SFGH can increase the Stores Fund balance by transferal of surplus appropriations exceeding ten percent of the original appropriation amount for non-personal services objects of expenditure. Previously, the Controller permitted such transfers on the recommendation of the department head after verifying the availability of surplus appropriations. In that manner, the balance of the Stores Fund increased from the original amount of \$1.35 million to the present balance of \$4.5 million.

3. The Controller's Office has now revised their policy on permitting such transfers of surplus funds. Ms. Eva Bruce of the Controller's Office states that no transfers of surplus will be allowed without an independent analysis by the Controller to evaluate the sufficiency of the Stores Fund balance. If requested surplus transfers are disallowed, such surplus funds will be returned to the City and County's General Fund.

Recommendation: Approve the proposed supplemental appropriation.

Item 32 - File 30-91-8

- Department:** Department of Public Health (DPH) Division of Mental Health, Substance Abuse and Forensics.
- Item:** Resolution authorizing the DPH to extend the terms of certain existing one-year health services contracts on an interim month-to-month basis.
- Description:** The proposed resolution would authorize on an interim basis the extension of 70 existing one year health services contracts for Fiscal Year 1991-92. The same 1990-91 interim terms of these 1991-92 contracts would be extended on a month-to-month basis and paid at the 1990-91 monthly rates until the Controller has certified the contract renewals or until December 31, 1991, whichever date is earlier. When the contract renewals have been certified, or beginning December 31, 1991, the contractor whose 1991-92 rates are greater than the 1990-91 rates would bill the City retroactively for the difference between the two rates; the contractors whose 1991-92 rates are less than the 1990-91 rates would reduce their next bill to the City to reflect the lower 1991-92 rates. According to Ms. Monique Zmuda of DPH, some rates for contracts in the proposed 1991-92 budget would be lower than the 1990-91 rates.
- Of the 70 health services contracts, 40 are mental health services contracts, 27 are substance abuse treatment services contracts and three are forensic services contracts.
- Comments:**
1. According to Ms. Zmuda, the authority to extend the 70 health services contracts on an interim month-to-month basis would allow the DPH to ensure a continual provision of services while the contract renewals are being processed. In addition, Ms. Zmuda indicates that those contracts which are not renewed for FY 1991-92 will not receive any payments beyond the completion of their existing contract.
 2. The proposed resolution, in and of itself, would not have any additional fiscal impact to the City. The actual fiscal impact, which cannot be determined at this time, will be accounted for in the DPH's 1991-92 budget.
- Recommendation:** Approve the proposed resolution.

Item 33 - File 38-91-4

1. The proposed resolution would authorize the Department of Health, AIDS Office, to accept a gift of medicine valued at \$53,200 from Burroughs Wellcome Company for the provision of the AIDS drug Retrovir (ATZ) to eligible AIDS patients and HIV seropositive individuals.

2. Burroughs Wellcome Company is contributing a one-time supply of 40,000 Retrovir 100 mg capsules, valued at \$53,200. Dr. Sandra Hernandez of the Department of Health's AIDS Office states that this supply of AZT will benefit 133 persons with AIDS for a period of two months. If this gift were not available, the Department of Health would purchase AZT for those 133 individuals for two months and then be reimbursed for the cost by the State. The State has limited funds to provide AIDS services in San Francisco. This gift will allow the City to use the funds that would have been used for the purchase of AZT to provide other AIDS services.

3. According to Dr. Hernandez, in order to distribute this medicine to affected individuals with limited access to the drug and to expedite distribution before the drug's expiration in August, 1991, the AIDS Office, in collaboration with the Director of Health and the Department of Pharmaceutical Services at San Francisco General Hospital (SFGH), would utilize the existing mechanism for the distribution of AZT to low-income patients. This mechanism is the AIDS Drug Program through which drugs are dispensed at the SFGH pharmacy; overall programmatic responsibility is shared by the Department's AIDS Office and SFGH's Department of Pharmaceutical Services.

4. Acceptance of this gift would incur no costs to the City.

Recommendation

Approve the proposed resolution.

Item 34 - File 146-90-109.3

Department: Department of Public Health (DPH)
AIDS Office

Item: Request for release of reserved funds for AIDS/HIV Regional Planning for implementing Comprehensive AIDS Resources Emergency (CARE) services in San Mateo county.

Amount: \$100,000

Source of Funds: U.S. Department of Health and Human Services,
Health Resources and Services Administration (HRSA)

Description: The Board of Supervisors authorized the DPH to accept and expend (File 146-90-109.1) Title I funds from the Comprehensive AIDS Resources Emergency (CARE) Disaster Relief grant of \$6,319,965 on April 17, 1991, and reserved a total of \$650,000 of contractual services pending the selection of contractors. The following amount was reserved pending the selection of contractors:

| | |
|----------------|---------------------------|
| \$250,000 | Outpatient Medical Care |
| 300,000 | Residential Dementia Care |
| <u>100,000</u> | Regional Planning |
| \$650,000 | Total Reserved |

The proposed release of reserve of \$100,000 for Regional Planning would be used to conduct a needs assessment study for the development of a strategic plan which would be used by five counties (San Francisco, Marin, Alameda, Contra Costa, and San Mateo counties) to coordinate regional HIV services and provide important information for the ongoing utilization of CARE services. \$550,000 would remain on reserve from the CARE Title I funds.

Comments: 1. According to Ms. Judith Weld of the DPH's AIDS Office, San Mateo County was chosen as the recipient of the \$100,000 award by the HIV Planning Council's Intergovernmental Committee, which is appointed by the Mayor's Office and includes members from the Health Commission, community-based organizations, persons with AIDS, affected communities, social service providers, and hospitals. San Mateo County is also receiving \$201,405 in CARE grant funds for the development of an AIDS Clinic and Case Management Services. San Francisco's DPH is considered the lead agency within the eligible metropolitan area for the distribution of CARE funds.

BOARD OF SUPERVISORS
BUDGET ANALYST

2. Ms. Weld reports that San Mateo County would issue an RFP for community-based organizations which would provide the needs assessment study. Ms. Weld indicates that San Mateo County has not yet issued the RFP, but San Mateo will issue the RFP once the proposed release of reserve is approved.

Recommendation: Approve the proposed release of reserve.

Item 35 - File 146-91-52

Department: Department of Public Health (DPH)

Item: Resolution authorizing the Department of Public Health to apply for a continuation State Grant which includes indirect costs in the amount of \$93,147 based on 10 percent of personnel costs and to establish and finance Civil Service positions.

Amount of Grant: \$1,334,558

Source of Grant: State Department of Health Services

Grant Period: October 1, 1991 through September 30, 1992

Project: Women, Infants and Children (WIC) Program

Description: The WIC program provides nutrition education and supplemental foods to pregnant, lactating or postpartum women and to children under age five who are receiving ongoing medical care. Eligible clients must also meet Federal income guidelines, reside in the local target area and be determined by a health professional to be at nutritional risk.

No. of Persons to be Served: 14,070 participants per month

Grant Budget:

| | | |
|--------------------------|-------|----------------|
| <u>Personnel</u> | | |
| Senior Nutritionist | 1.0 | \$52,853 |
| Nutritionist | 5.5 | 260,583 |
| Administrative Assistant | 0.23 | 10,887 |
| Health Worker I | 15.0 | 375,187 |
| Health Worker II | 6.0 | 174,035 |
| Health Worker III | 2.0 | 63,997 |
| Fringe Benefits | | <u>243,761</u> |
| Subtotal Personnel | 29.73 | \$1,181,303 |

Memo to Finance Committee
June 12, 1991

| | |
|--|---------------|
| <u>Operating Expenses</u> | |
| Materials and Supplies | \$5,000 |
| Communications | 15,000 |
| Computer Supplies | 1,500 |
| Training | 1,000 |
| Staff Mileage | 6,500 |
| Janitorial Supplies | 8,000 |
| Computer Technician Fees | 4,000 |
| Educational Materials | 3,000 |
| Postage | 1,000 |
| Duplication/Reproduction & Copier Lease | 6,000 |
| Office Furniture | 3,500 |
| Rent (Lease \$1.00 per year) | <u>1</u> |
| Subtotal Operating Expenses | \$54,501 |
| Computer Equipment | 5,000 |
| Indirect Costs | <u>93,754</u> |
| Total | \$1,334,558 |

Indirect Costs: \$93,754 or 10 percent of personnel costs excluding fringe benefits.

Required Match: None

Comments: 1. The proposed \$1,334,558 in State grant funds for 1991-92 is \$359,242 or 36.8 percent greater than the \$975,316 DPH received in 1990-91. This increased level of funding would be used to fund approximately three additional FTE positions including fringe benefits.

2. Ms. Nylda Gemple of the DPH reports that the DPH does not have the budget details for the proposed computer equipment. In addition, DPH has not received Electronic Information Processing Steering Committee (EIPSC) approval for the proposed computer equipment purchase. Ms. Gemple advises that the DPH will have budget details and EIPSC approval for the proposed computer equipment prior to returning to the Board of Supervisors requesting authorization to accept and expend the proposed grant.

3. June 27, 1991 is the application deadline for the proposed State grant.

4. The proposed grant budget includes \$93,754 for indirect costs instead of \$93,147 as reflected in the proposed resolution. Therefore, the proposed resolution should be amended to read \$93,754 instead of \$93,147 in indirect costs.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
June 12, 1991

Recommendation: Amend the proposed resolution to list \$93,754 for indirect costs. Approve the proposed resolution as amended.

Item 36 - File 101-90-121

Departments: Water Department

Item: Ordinance appropriating funds for the Water Department for the purpose of implementing various capital improvement projects.

Amount: \$47,925,000

Source of Funds: 1991 Series A San Francisco Water Revenue Bonds

Description: In April of 1991, the Board of Supervisors approved a resolution (#299-91) to provide for the issuance of 1991 Series A San Francisco Water Revenue Bonds in an amount not to exceed \$76 million. The bond proceeds would be used to pay for a portion of the Water Department's and Hetch Hetchy's capital replacement and reconstruction needs.

Bonds in the amount of \$70,145,682 were issued May 8, 1991. Attachment A, prepared by Paine Webber, senior managing underwriter, presents the sources and uses of funds from the bond issue. Attachment B presents the distribution of participation, orders and allotments among the underwriters included in the bond issue. MBE/WBE participation was 62 percent.

The proposed resolution would appropriate \$47,925,000 of the \$70,145,682 bond sale proceeds for the following projects:

| | |
|--|------------------|
| Calaveras Pipeline (replacement portion) | \$11,300,000 |
| San Andreas Pipeline No. 3 Relining | 15,000,000 |
| Three-Year Main Replacement | 19,125,000 |
| Three-Year Service Renewals | <u>2,500,000</u> |
| Total | \$47,925,000 |

A description of the projects to be funded from this supplemental appropriation is shown below.

BOARD OF SUPERVISORS
BUDGET ANALYST

Calaveras Pipeline (replacement portion) (\$11,300,000)

The Calaveras Pipeline is to replace an existing 50-year-old raw water pipeline along the same general alignment. It will consist of approximately 20,500 feet of 44-inch-diameter steel pipe extending from the existing outlet tower in the Calaveras Reservoir to the existing Sunol Valley Filtration Plant, and approximately 8,900 feet of 66-inch-diameter steel pipe extending from the Sunol Valley plant to the existing San Antonio Pump Station. Additional work to be completed as a part of the 44-inch-diameter pipeline includes replacing four motorized valves and enlarging the vertical standpipe in the outlet tower to 72 inches in diameter to permit draining a portion of the reservoir during an emergency, as required by the State Division of Safety of Dams. Work on the 44-inch diameter pipeline includes construction within two existing tunnels, three road crossings, and three creek crossings.

Bids for the Calaveras Pipeline were initially opened on February 28, 1991. A protest was filed against award to the low bidder. As a result, the Utilities Engineering Bureau (UEB) of the Public Utilities Commission (PUC) decided to rebid the project. The schedule for rebidding, award of contract, and construction is as follows:

| | |
|----------------------------|----------------|
| Advertisement for bids: | March 29, 1991 |
| Bid opening | April 16, 1991 |
| Contract award | May 14, 1991 |
| Start of construction | June 10, 1991 |
| Completion of construction | June 30, 1992 |

The 20,500 feet of 44-inch diameter pipeline will be partially funded by the 1991 Series A Bonds. The remainder of the estimated project cost of \$22,800,000, or approximately \$11,500,000, will be paid from available 1985 Bond funds. The 1991 Series A Bonds will provide \$11.3 million toward the Calaveras Pipeline. In addition to actual construction, the proceeds of the bond issue would cover the following:

1. An allowance of approximately 10 percent for professional services during construction (note that the design services have already been paid from other funding sources). These services include construction management, construction inspection, office engineering to review shop drawings and evaluate the contractor's requests for change orders, special services (e.g., soils investigations, soils compaction testing, concrete testing, materials testing, performance testing, etc.), and City staff requirements.

2. An allowance of approximately 10 percent for contingencies for potential changed site conditions (i.e., change orders) and unanticipated environmental impact mitigation measures, if any.

Therefore, approximately 80 percent, or \$9,040,000, of the 1991 Series A Bonds will be available for actual construction of the 44-inch-diameter pipeline.

San Andreas Pipeline No. 3 Relining (\$15,000,000)

The San Andreas Pipeline No. 3 was originally constructed in 1980 from the San Andreas Filtration Plant north to the San Pedro Valve Pit in San Mateo County. The pipeline consists of 34,573 feet of 66-inch-diameter prestressed concrete pipe. The existing Baden Pump Station is located about halfway along the pipeline. A cathodic protection system was installed to protect the southern half of the pipeline between the San Andreas plant and the Baden Pump Station from external corrosion due to aggressive soils. In January of 1990, the pipeline broke near the Baden Pump Station. The failure is believed to have been caused by hydrogen embrittlement of the prestressing wire wrapped around the steel pipe cylinder, due to the impression of the cathodic protection current along this portion of the pipeline. The pipeline has been removed from service, and water has since been transported north to San Francisco in other parallel pipelines.

The San Andreas Pipeline No. 3 rehabilitation project consists of installing an internal steel liner pipe within certain critical sections of the existing 66-inch diameter pipeline. The liner pipe will be designed to withstand internal hydraulic pressures. The annular space between the liner pipe and the existing 66-inch diameter pipe will be filled by pressure-grouting, and the

combined pipe system will be strong enough to withstand all external loads.

The rehabilitation of the San Andreas Pipeline No. 3 has not yet been designed. A consulting engineering firm has been hired and began design of the project in April 1991. \$15 million has been allotted from the 1991 Series A Bonds for the San Andreas Pipeline No. 3. An estimated 70 percent or \$10.5 million is available for the construction contract, under which 10,500 feet of pipeline could be lined if the unit cost for construction averages \$1,000 per linear foot. According to the Department, although the rehabilitation work is highly specialized, and the details of the project are yet to be designed, the proposed level of funding appears adequate.

The schedule for the San Andreas Pipeline No. 3 rehabilitation project is as follows:

| | |
|-----------------------------|-------------------|
| Begin design | April 1, 1991 |
| Complete design | December 31, 1991 |
| Award construction contract | April 1, 1992 |
| Complete construction | February 1, 1993 |

Therefore, the construction contracts have not yet been awarded.

Three-Year Main Replacement (\$19,125,000)

The Three-Year Main Replacement project is part of a long-term continuing program to replace the old cast iron water mains in San Francisco, many of which were installed over 100 years ago. The sections of main to be replaced are selected each year by reviewing an existing database of pipes over 100 years old. In general, the oldest pipes are replaced first. In addition, when the City's Department of Public Works decides to repave a street or install a sewer that would temporarily disrupt a street and require repaving, the Water Department takes advantage of this situation by replacing old cast iron water mains at the same time to avoid tearing up the street again soon thereafter.

Contract documents, including drawings and specifications, are prepared for each individual project. Typically, individual projects are for several thousand feet of water main replacement. Construction periods

provided in the specifications are usually 2 to 6 months depending on length and difficulty of the replacement.

Three-Year Service Renewal (\$2,500,000)

The Three-Year Service Renewal project is a part of a continuing program similar to the Three-Year Main Replacement project. A "service" is the small diameter pipe that is installed from the water main in the street to the meter located near the customer's property line. Initially, the service renewal program concentrated on replacing old services containing lead pipe or fittings because of public health concerns. More recently, galvanized iron services have been replaced because they are subject to corrosion, and some old plastic services have been replaced because the older plastic materials were subject to cracking and leaks. The requests for service renewals are initiated by an inter-departmental work order from the Service Division of the Water Department to the City Distribution Division of the Water Department.

No plans and specifications are required for replacing a service; the installation is done by Water Department crews, and all materials are provided by the Water Department. The renewal of services continues as long as funds are available. Since each service installation takes only a few hours, the time required for each specific service replacement is not a constraint to the continuing program.

Comments:

1. Included in this request is \$8,000,000 to reimburse capital project funds to the Water Department's operating fund, which were previously used by the Water Department to pay for main replacement and service renewal projects, as authorized by the Public Utilities Commission by resolution in May of 1990.
2. Because the Calaveras Pipeline (\$11,300,000) and San Andreas Pipeline (\$15,000,000) projects are in excess of \$10,000,000, MBE/WBE preferences do not apply, in accordance with the Administrative Code.
3. Mr Marty Lieberman of the Water Department reports that approximately \$3.5 million of the Main Replacement Program for construction would be accomplished by contract. The remainder would be accomplished in-house.

BOARD OF SUPERVISORS
BUDGET ANALYST

- Recommendations:**
1. Reserve \$3.5 million of the Main Replacement Program pending identification of the construction contractors and MBE/WBE status.
 2. Reserve \$10.5 million of the San Andreas Pipeline No. 3 Relining Project pending identification of the various construction contractors.
 3. Approve the proposed supplemental appropriation as amended.

Public Utilities Commission
of the
 City and County of San Francisco
 San Francisco Water Revenue Bonds, 1991 Series A

Sources and Uses of Funds

Sources of Funds

| | |
|---------------------|-------------------|
| Par Amount of Bonds | \$70,145,682.00 |
| Accrued Interest | <u>452,375.36</u> |
| | \$70,598,057.36 |

Uses of Funds

| | |
|---------------------------|-----------------|
| Project Fund | \$54,701,952.00 |
| Reimbursement | 8,000,000.00 |
| Debt Service Reserve Fund | 2,742,550.00 |
| Original Issue Discount | 2,514,114.20 |
| Capitalized Interest | 1,409,982.50 |
| Underwriters' Discount | 815,088.17 |
| Costs of Issuance | 412,000.00 |
| Balancing Amount | <u>2,370.49</u> |
| | \$70,598,057.36 |

Public Utilities Commission
of the
City and County of San Francisco

Bond Distribution

| <u>Underwriter</u> | <u>Participation</u> | <u>Orders</u> | <u>Allotments*</u> |
|--------------------------------------|----------------------|---------------|--------------------|
| PaineWebber Incorporated | \$24,550,989 | \$82,890,000 | \$26,878,180 |
| Grigsby Brandford Powell, Inc. | 17,536,421 | 18,950,000 | 16,828,500 |
| Artemis Capital Group, Inc. | 7,014,568 | 11,500,000 | 6,283,000 |
| M.R. Beal & Company | 7,014,568 | 8,750,000 | 7,170,500 |
| Perry Investments Inc. | 7,014,568 | 9,200,000 | 5,832,500 |
| Pryor, McClendon, Counts & Co., Inc. | 7,014,568 | 8,775,000 | 7,153,000 |

| <u>Underwriter</u> | <u>Participation as % of Par</u> | <u>Orders as % of Participation</u> | <u>Allotments* as % of Participation</u> |
|--------------------------------------|--------------------------------------|---|--|
| PaineWebber Incorporated | 35% | 338% | 109% |
| Grigsby Brandford Powell, Inc. | 25 | 108 | 96 |
| Artemis Capital Group, Inc. | 10 | 164 | 90 |
| M.R. Beal & Company | 10 | 125 | 102 |
| Perry Investments Inc. | 10 | 131 | 83 |
| Pryor, McClendon, Counts & Co., Inc. | 10 | 125 | 102 |

PaineWebber Allotment Percentage: 38%
MBE/WBE Allotment Percentage: 62%

* Includes Designations

Item 37 - File 94-91-3

Department: Public Utilities Commission (PUC)
Municipal Railway (MUNI)

Item: Resolution to authorize the Public Utilities Commission (PUC) to apply for, accept and expend up to \$3.2 million of Bridge Toll Funds for the San Francisco Municipal Railway Improvement Corporation (SFMRIC) lease payments and \$59.5 million of regional funds such as Urban Mass Transportation Administration (UMTA) Sections 8 and 9, Transportation Development Act (TDA) Articles 4, 8, and 4.5, State Transit Assistance Revenue-based funds, AB 1107 half-cent sales tax revenues, and approximately \$1.6 million of Bay Area Rapid Transit District funds for 1991-92 Municipal Railway operations and capital improvements.

Amount: \$64,312,342

Proposed Expenditure: MUNI operating assistance and capital improvements for Fiscal Year 1991-92

| Source of Funds: | 1991-92 <u>Proposed</u> | 1990-91 <u>Actual</u> | Increase (Decrease) |
|------------------------------|----------------------------|--------------------------|------------------------|
| <u>Operations</u> | | | |
| TDA Article 3, 4, 4.5, 8 | | | |
| MUNI Operations | \$23,562,041 | \$23,624,222 | (\$62,181) |
| TDA Article 4, 8 | | | |
| Planning Grant | 100,000 | 80,000 | 20,000 |
| UMTA Section 8 | | | |
| Planning Grant | 64,000 | 64,000 | -- |
| AB 1107 Half Cent Sales Tax/ | | | |
| Section 9 Operating | 27,721,347 | 27,467,102 | 254,245 |
| STA Rev Oper Assistance | 7,841,169 | 0 | 7,841,169 |
| STA Rev Coord. Proj. | 200,000 | 0 | 200,000 |
| BART Transfer Payment | <u>1,614,900</u> | <u>1,538,000</u> | <u>76,900</u> |
| Total Operations | \$61,103,457 | \$52,773,324 | \$8,330,133 |
| <u>Capital Improvements</u> | | | |
| SFMRIC Lease | | | |
| Payments | \$3,208,885 | 3,290,928 | (\$82,043) |
| AB 1107 Capital | | | |
| Improvement Allowance | <u>0</u> | <u>841,820</u> | <u>(841,820)</u> |
| Total Capital | | | |
| Improvements | <u>\$3,208,885</u> | <u>\$4,132,748</u> | <u>(\$923,863)</u> |
| Total Claims | <u>\$64,312,342</u> | <u>\$56,906,072</u> | <u>\$7,406,270</u> |

BOARD OF SUPERVISORS
BUDGET ANALYST

As part of the allocation during FY 1991-92, the BART District has committed \$1,614,900 as a reimbursement to MUNI which has been calculated as the value of patron trips made on MUNI to and from BART.

Comments:

1. The proposed resolution is the annual application for MUNI operating assistance for its share of State funds allocated by the Metropolitan Transportation Commission (MTC) for 1991-92 MUNI operations and capital improvements. That portion of the budget amounting to \$27,721,347 is divided between \$20,188,892 for AB 1107 Half Cent Sales Tax and \$7,532,455 for UMTA Section 9 Operating subsidies.

2. Although an "expend" clause is included in the proposed legislation, authority for the spending of these funds from the Metropolitan Transportation Commission will be included by the Board of Supervisors with the approval of the 1991-92 MUNI budget except for \$364,000 which, according to Ms. Kathleen Kelly of PUC Finance, will be expended by PUC Finance for the planning of future capital projects from a portion of the resources identified in this item as follows:

| | |
|---------------------------------|----------------|
| TDA Article 4, 8 Planning Grant | \$100,000 |
| UMTA Section 8 Planning Grant | 64,000 |
| STA Rev Coordination Project | <u>200,000</u> |
| Total | \$364,000 |

The remaining funds are identified in the FY 1991-92 Municipal Railway Budget as follows:

| | | |
|---------------------------------|------------------|----------------|
| Fund 6161 MTC Allocated | \$53,207,062 | |
| Fund 6163 Operating Assistance | 7,532,395 | |
| Fund 6164 Capital Subvention | <u>3,208,885</u> | |
| 91-92 MUNI Budgeted Revenues | | \$63,948,342 |
| Planning Funds to PUC Finance * | | <u>364,000</u> |
| Total Funds per this Item | | \$64,312,342 |

* Not presently identified in the proposed FY 1991-92 Budget

The proposed resolution should be amended to delete the clause which authorizes the expenditure of funds except for the \$364,000 identified above.

BOARD OF SUPERVISORS
BUDGET ANALYST

3. According to Ms. Kelly, AB 1107 Capital Improvement Allowance funds would not be available to the City in FY 1991-92 because of a change in the State's eligibility criteria for such funds.

Recommendation:

Amend the proposed resolution to delete the phrase "and expend" from page 1, line 1 and from page 2, lines 19 and 25, add the phrase "and expend up to \$364,000 of TDA Article 4, 8 Planning Grant, UMTA Section 8 Planning Grant and STA Rev Coord. Project Funds to page 1, line 7 and page 2 line 22 and approve the proposed resolution as amended.

Item 38 - File 94-91-4

Department: Public Utilities Commission (PUC)
Municipal Railway (MUNI)

Item: Resolution authorizing the Public Utilities Commission (PUC) to apply for, accept, and expend Federal Urban Mass Transit Administration (UMTA) Section 9 formula assistance, and apply for, accept and expend local matching funds such as State Transit Assistance funds, State Transportation Development Act, bridge toll net revenues, gas tax revenues, Hetch Hetchy funds, Transit Impact Development Fee revenues, San Francisco Municipal Railway Improvement Corporation (SFMRIC) funds and/or San Francisco County sales tax revenues for eight MUNI projects.

| | | |
|--------------------------|---|------------------|
| Amount of Grants: | UMTA Section 9 Capital Assistance (80%) | \$13,815,120 |
| | Match from local funding sources as noted above (20%) | <u>3,453,780</u> |
| | Total | \$17,268,900 |

Source of Grant: Federal UMTA Section 9 formula assistance

Grant Period: October 1, 1990 through September 30, 1991 (Federal FY)

Note: The proposed grant is still awaiting Federal approval.

Project Description: The Municipal Railway (MUNI) projects included in this UMTA grant application are all identified as near-term priorities in the Municipal Railway Short Range Transit Plan and Capital Improvements Program. Eight projects are identified and described as follows:

| <u>Project Description</u> | <u>Local</u> | <u>Federal</u> | <u>Total</u> |
|-------------------------------------|---------------|----------------|----------------|
| Fixed-Facility Rehabilitation | \$1,668,520 | \$6,674,080 | \$8,342,600 |
| Miscellaneous Equipment | 286,125 | 1,144,500 | 1,430,625 |
| Non-Revenue Vehicles | 182,326 | 729,304 | 911,630 |
| Data Processing & Office Equip | 218,791 | 875,164 | 1,093,955 |
| 24th and Utah Shop Replacement | 112,374 | 449,496 | 561,870 |
| Trolley Overhead Reconstruction | | | |
| Mission Street | 758,774 | 3,035,096 | 3,793,870 |
| F-Market Streetcar (PCC) Renovation | 131,632 | 526,528 | 658,160 |
| Trolley Specification | <u>95,238</u> | <u>380,952</u> | <u>476,190</u> |
| Total | \$3,453,780 | \$13,815,120 | \$17,268,900 |

BOARD OF SUPERVISORS
BUDGET ANALYST

Fixed-Facility Rehabilitation \$8,342,600

These include Physical Plant improvements (\$950,000), industrial safety improvements (\$3,000,000), trolley system improvements (\$600,000), Metro System improvements (\$2,892,600), and cable car enhancements (\$900,000).

Misc. Maintenance Equipment \$1,430,625

This project includes the purchase of new equipment needed on an on-going basis for the continued operation of MUNI's transportation, maintenance, and administrative functions. This equipment is identified in Comment 3 and Attachment 1 of this item.

Non-Revenue Vehicles \$911,630

This project also includes the purchase of new non-revenue vehicle and related equipment needed on an on-going basis for the continued operation of MUNI's transportation, maintenance, and administrative functions. The items include non-revenue vehicles (sedans and trucks) not provided under other special capital programs or projects. The vehicles are identified in Comment 4 and Attachment 2 of this item.

Data Processing and Office Equipment \$1,093,955

MUNI will acquire personal computers to support the planning, engineering, administrative, and management needs. Presently, PUC and MUNI administrative and professional staff do not have uniformly dedicated personal computers available. The proposed computers, related software, and office equipment are considered essential to support the organizational objectives of the PUC and MUNI. The equipment are described in Comment 5 and Attachment 3 of this item.

24th and Utah Maintenance Shop Replacement Facility \$561,870

This project provides for a continuation of plans and engineering requirements for the replacement of the 24th and Utah Shops on a site which still has not been determined. The project still provides for the relocation of the functions now housed at 24th and Utah Streets in the Mission District. The project also provides for the construction of a new shop that can accommodate the needs of the Facilities Maintenance Way and Structures Section

BOARD OF SUPERVISORS
BUDGET ANALYST

within MUNI's Maintenance Division. Construction activities are scheduled to start in April of 1993, after the acquisition of a new site.

Trolley Overhead Reconstruction, Mission St \$3,793,870

The reconstruction work consists of the replacement of all of the worn out components such as the intersection special work switches, crossings, curve segments, trolley wire, and certain of the trolley poles and tangent spans which have deteriorated beyond repair. Street lights, traffic signals and trolley overhead facilities will be consolidated on single poles where feasible and where such consolidation will result in the removal of excess poles. Construction on Mission Street is scheduled to start in March of 1991 and completion is expected by February of 1995.

F-Market Streetcar (PCC) Renovation \$658,160

A total of ten (10) PCC streetcars are proposed for renovation with these funds. The project would begin by October of 1991, and is scheduled for completion by September of 1992. An additional ten (10) PCC streetcars were previously funded for renovation. Service plans for the F-Market-Embarcadero line indicate that 26 PCC streetcars would be necessary to meet service demands in the mid-1990s. Under these circumstances, an additional six PCC streetcars will be proposed for renovation in FY 1994-95.

Trolley Specification \$476,190

MUNI will continue the phased replacement of its remaining Flyer fleet with the preparation of a vehicle specification for a standard trolley bus.

Comments:

1. The proposed legislation amends previous legislation approved by the Board of Supervisors (File 94-90-9).
2. The proposed \$17,268,900 in capital funds for 1990-91 represents a decrease of \$4,870,700 or approximately 22 percent less than the \$22,139,600 that MUNI received in 1989-90 from UMTA Section 9 funds and local matching fund sources.
3. PUC has budgeted \$1,430,625 for the purchase of miscellaneous equipment. Attachments 1 provides a list of maintenance and repair equipment to be purchased for the \$1,430,625. From this listing three items should be

BOARD OF SUPERVISORS
BUDGET ANALYST

reserved based on a review by the Budget Analyst and concurrence by Ms. Kathleen Kelley of PUC as follows:

| <u>Item</u> | <u>Proposed Cost</u> | <u>Revised Cost</u> | <u>Savings</u> |
|--------------|--------------------------|-------------------------|----------------|
| Portable | | | |
| Oscilloscope | \$6,296 | \$6,206 | \$ 90 |
| 3/4 Ton Van | 19,845 | 18,105 | 1,740 |
| 3/4 Ton Van | <u>19,845</u> | <u>18,105</u> | <u>1,740</u> |
| Total | \$45,986 | \$42,416 | \$ 3,570 |

Based on the above revisions a total of \$3,570 should be reserved from this project for other purchases of miscellaneous equipment.

4. A total of \$911,630 has been identified for non-revenue replacement vehicles which include sedans, passenger vans, pick-up and flat-bed trucks as described in Attachment 2. In reviewing the list, certain vehicles appear to cost more than the standard price currently identified by the Purchaser. The Budget Analyst recommends that the purchase of some of requested replacement vehicles be placed on reserve until further information is received. These vehicles include:

| | |
|----------------|---------------|
| 1/2 Ton Pickup | \$16,500 |
| 3/4 Ton Pickup | 18,500 |
| Bronco | 18,500 |
| 1 Ton Pickup | 18,500 |
| 1 Ton Pickup | 19,845 |
| 3/4 Van | 19,845 |
| 1 Ton V | <u>37,000</u> |
| Total | \$148,690 |

5. PUC has budgeted \$1,093,955 for the purchase of data processing and office equipment. According to Mr. Ralph Jacobsen, the Electronic Information Processing Steering Committee (EIPSC) has approved \$985,155 in data processing equipment for MUNI as follows:

| <u>Number</u> | <u>Description</u> | <u>Amount</u> |
|---------------|--------------------|---------------|
|---------------|--------------------|---------------|

Municipal Railway:

| | | |
|--|--|---------------|
| | Network and File Servers for all Divisions | \$192,100 |
| | WAN Network | 88,600 |
| | Databases (9) | 66,600 |
| | Disk Upgrade | 85,000 |
| | NIC Cards (30) | 7,500 |
| | Personal Computers (78) | 249,600 |
| | Printers (29) | 70,600 |
| | Wiring | <u>24,000</u> |
| | Subtotal | \$784,000 |

| | | |
|---------------|--------------------------------------|---------------|
| 91-35-00-002 | Environmental Monitoring System | \$11,655 |
| 91-35-00-003 | Desktop Publishing | 10,700 |
| 91-35-00-004 | 10 Harris Terminals for VMS and MMS | 10,700 |
| 91-35-00-005 | 486/33 PC for VMS Reporting | 15,000 |
| 91-35-00-006 | 486/25 PC for PC Digital Maintenance | 18,000 |
| 91-35-00-007 | 386 PCs (2) to replace HPI00F | 8,400 |
| 91-35-00-007a | Laptop PC for Equipment Maintenance | 7,000 |
| 91-35-00-008 | Engineering Scanner Station | 19,800 |
| 91-35-00-008a | Engineering - 2 CAD Work Stations | <u>24,000</u> |
| | Subtotal | \$125,255 |

Utilities Engineering Bureau:

| | | |
|--------------|-----------------------|--------|
| 91-40-00-001 | CAD Plotters/Printers | 24,300 |
|--------------|-----------------------|--------|

Bureau of Finance:

| | | |
|--------------|-------------------------|---------------|
| 91-40-00-002 | Personal Computers (10) | <u>51,600</u> |
|--------------|-------------------------|---------------|

| | | |
|-------|--|-----------|
| Total | | \$985,155 |
|-------|--|-----------|

The remaining allocation for this item totalling \$108,800 (\$1,093,955 less \$985,155) should be reserved pending the completion of EIPSC review of requested computer equipment by PUC and MUNI. According to Ms. Kelly of PUC a list of additional computer equipment totalling \$99,203 (Attachment 3) is currently at EIPSC for their review. Ms. Kelly advises that this list is to be

BOARD OF SUPERVISORS
BUDGET ANALYST

supplemented by an additional \$9,597 (\$108,800 less \$99,203) to match the total amount of this funding item.

6. In summary, funds from three project items identified in Comments 3,4 and 5 above should be reserved as follows:

| | |
|--------------------------------------|----------------|
| Miscellaneous Maintenance Equipment | \$ 3,570 |
| Non-Revenue Vehicles | 148,690 |
| Data Processing and Office Equipment | <u>108,800</u> |
| Total | \$261,060 |

7. Ms. Kelly reports that the PUC has not selected the contracting firms for the construction projects identified above for the proposed UMTA Section 9 Capital Assistance Grant and local share match. In summary these projects include:

| | |
|--|----------------|
| Fixed-Facility Rehabilitation | \$8,342,600 |
| 24th and Utah Shop Replacement | 561,870 |
| Trolley Overhead Reconstruction, Mission St. | 3,793,870 |
| F-Market Streetcar (PCC) Renovation | 658,160 |
| Trolley Specification | <u>476,190</u> |
| Total | \$13,832,690 |

These funds should be placed on reserve pending selection of the construction firms, budgets for the contractors, and the contractors' MBE/WBE/LBE status.

Recommendation: Amend the proposed resolution by reserving \$14,093,750 (\$261,060 as identified in Comment 6 above and \$13,832,690 as identified in Comment 7 above), and approve the proposed resolution as amended.

| Ref # | Dept | SUBOBJ | DESCRIPTION | # | TOTAL COST |
|-------|-----------|--------|---------------------------------|----|------------|
| 51 | Rail | 2220 | Portable Radios with charger | 40 | 134,000 |
| 91 | Surface | 2265 | Site Select Modules Models | 4 | 2,574 |
| 93 | Surface | 2265 | Tone Encoder Module | 4 | 1,716 |
| 95 | Surface | 2265 | Programmable 60 Channel | 2 | 858 |
| 96 | Surface | | Scanner System | | |
| 97 | Surface | 2265 | Touch-Code Encoder Model | 1 | 1,073 |
| 99 | Surface | 2265 | Transmission/Receiving Modules | 14 | 15,015 |
| 102 | Surface | 2265 | Mobile Base station for | 1 | 139,425 |
| 103 | Surface | | Emergency Communication | | |
| 120 | W&S | 2202 | 1 Ton 5.8 Liter Engine Van | 2 | 38,533 |
| 122 | Cable Car | 2203 | Cable Car Pusher | 1 | 27,500 |
| 123 | Diesel | 2211 | Fuel Injector Comparitor | 1 | 32,025 |
| 125 | Trolley | 2213 | Forklift | 1 | 39,775 |
| 127 | Diesel | 2210 | 1 Set Elect Bus Lift | 1 | 56,364 |
| 128 | Diesel | | with Console | | |
| 129 | Diesel | 2213 | Scrubmobile | 1 | 52,375 |
| 131 | LRV | 2202 | 1 Ton Flat Stake Bed Truck | 1 | 18,732 |
| 133 | Trolley | 2202 | 1 Ton Truck | 1 | 26,875 |
| 136 | Trolley | 2210 | Steel Work lockers | 5 | 4,000 |
| 137 | LRV | 2211 | Plasma Cutting System | 1 | 4,500 |
| 139 | W&S | 2213 | Truck Mounted Air | 1 | 1,811 |
| 140 | W&S | | Compressor | | |
| 141 | Trolley | 2210 | Steel Work Bench | 5 | 8,025 |
| 142 | Diesel | 2215 | Portable Floor Scrubbers | 1 | 12,810 |
| 144 | LRV | 2215 | Vacuum Cleaner, | 1 | 1,300 |
| 145 | Trolley | 2210 | Mobile Wheel Hoist | 1 | 2,998 |
| 146 | Diesel | 2211 | Engine Connecting Rod Aligner | 1 | 5,336 |
| 148 | LRV | 2211 | Spray Guns | 8 | 4,280 |
| 150 | Diesel | 2210 | Hydraulic Lifting Table | 2 | 10,675 |
| 152 | LRV | 2211 | Portable Steam Cleaner | 1 | 4,280 |
| 153 | Trolley | 2211 | Jib Crane | 1 | 5,375 |
| 154 | PS&E | 2213 | Industrial Mega Vacuum | 1 | 1,601 |
| 156 | W&S | 2217 | 8" Precision Joiner | 1 | 1,735 |
| 157 | W&S | 2217 | 24" Planer | 1 | 7,436 |
| 158 | Cable Car | 2210 | Hydraulic Wire Rope Cutter | 1 | 8,600 |
| 160 | Diesel | 2210 | 2 Ton Hydraulic Transmission | 4 | 8,540 |
| 161 | Diesel | | Stand | | |
| 162 | Trolley | 2210 | Mobile Wheel Hoist | 1 | 2,998 |
| 163 | Cable Car | 2211 | Vice, Riggers Forming | 1 | 4,400 |
| 164 | PS&E | 2242 | Gas and Oxygen Testers | 2 | 5,200 |
| 165 | W&S | 2217 | Gap Bed Engine Lathe | 1 | 5,136 |
| 166 | Cable Car | 2211 | Heavy Duty Air Compressor | 1 | 2,530 |
| 168 | W&S | 2213 | Paint Sprayer | 1 | 1,598 |
| 169 | Diesel | 2210 | 5" Bench Vises | 10 | 7,473 |
| 170 | LRV | 2210 | Instrument Controller | 1 | 9,607 |
| 172 | Cable Car | 2211 | Wire Winch | 1 | 38,500 |
| 173 | Trolley | 2211 | Lubricant Pump | 1 | 1,505 |
| 174 | PS&E | 2213 | Portable Oscilloscope | 2 | 6,296 |
| 175 | W&S | 2213 | 16" Portable Saw | 1 | 479 |
| 176 | W&S | 2217 | 1.5" Rotary Hammer | 2 | 1,712 |
| 177 | LRV | 2210 | 50 MHz Oscilloscope | 1 | 7,115 |
| 179 | Diesel | 2211 | Magnetic Tachometer | 5 | 4,804 |
| 182 | Cable Car | 2210 | Chain Saw Mortiser | 1 | 4,730 |
| 184 | Diesel | 2211 | 2 Ton Crane Hoist | 4 | 7,259 |
| 186 | PS&E | 2217 | Safety Grounds | 2 | 1,712 |
| 189 | W&S | 2211 | Dark Ratchet Type Arbor Press | 2 | 1,400 |
| 193 | Diesel | 2210 | Lifting Crane 1000 lb. Capacity | 4 | 4,105 |

| Ref # | Dept | SUBOBJ | DESCRIPTION | # | TOTAL COST |
|-------|-----------|--------|--------------------------------|----|------------|
| 195 | Cable Car | 2210 | Air Tugger | 1 | 2,750 |
| 196 | LRV | 2210 | Oscilloscope | 2 | 8,654 |
| 198 | Trolley | 2210 | Brake Drum Vacuum | 1 | 2,150 |
| 199 | PS&E | 2217 | Heat Scanner | 1 | 2,989 |
| 200 | Cable Car | 2210 | Oscillating Spindle Sander | 1 | 2,420 |
| 202 | W&S | 2211 | Power Draw Bar | 1 | 600 |
| 203 | Cable Car | 2210 | Electric Chain Hoist | 1 | 3,300 |
| 204 | Diesel | 2211 | 1" Anvil Air Impact Wrench | 3 | 4,163 |
| 206 | Trolley | 2213 | Hose Reels | 4 | 2,150 |
| 207 | PS&E | 2217 | High Line Tester 4 | 1 | 696 |
| 210 | Cable Car | 2211 | Auto Lube System | 1 | 11,000 |
| 213 | Diesel | 2210 | 1 Ton Electric Chain Hoist | 4 | 5,970 |
| 215 | Cable Car | 2211 | Hydraulic Lift Table | 1 | 1,650 |
| 216 | Diesel | 2210 | Wheel Dollies | 12 | 15,372 |
| 217 | Cable Car | 2210 | Grinder - Buffer | 1 | 1,100 |
| 218 | Cable Car | 2210 | Wood Planer | 1 | 4,950 |
| 219 | LRV | 2211 | Stationary Platform | 1 | 9,500 |
| 220 | Trolley | 2202 | Yard Pusher | 1 | 21,500 |
| 221 | Cable Car | 2211 | Machinist Vise | 1 | 1,320 |
| 222 | W&S | 2213 | Bar Stock Storage Rack | 1 | 1,800 |
| 223 | W&S | 2210 | 1" Drive Impact Wrench | 3 | 5,300 |
| 225 | Trolley | 2211 | Lift Table | 1 | 860 |
| 229 | Cable Car | 2211 | Carbide Grinder | 1 | 2,200 |
| 230 | Cable Car | 2215 | Floor Scrubber | 1 | 8,800 |
| 231 | Trolley | 2210 | Blast Cabinet | 1 | 954 |
| 232 | LRV | 2220 | Radio Chargers | 1 | 808 |
| 233 | Cable Car | 2211 | Drill Bit Sharpener | 1 | 2,750 |
| 234 | W&S | 2213 | 10" Uni Saw | 1 | 2,982 |
| 235 | W&S | 2213 | Pneumatic Nail Gun | 1 | 543 |
| 236 | LRV | 2217 | Portable Oscilloscope | 2 | 5,243 |
| 237 | Cable Car | 2211 | Surface Grinder | 1 | 13,200 |
| 240 | W&S | 2217 | Doweling Machine | 1 | 1,917 |
| 242 | LRV | 2217 | Oscilloscope w/Battery Pack | 1 | 6,965 |
| 244 | Cable Car | 2211 | Blade Welder | 1 | 1,650 |
| 246 | W&S | 2211 | Wood Lathe | 1 | 2,663 |
| 247 | LRV | 2211 | Chart Recorder System | 1 | 8,710 |
| 249 | Cable Car | 2215 | Air Compressor (standby) | 1 | 11,770 |
| 251 | LRV | 2211 | Brake Pressure Transducers | 2 | 2,675 |
| 253 | Cable Car | 2211 | Retractable Hose & Reels | 4 | 2,640 |
| 254 | LRV | 2211 | Portable Wheel Gauge | 1 | 12,100 |
| 256 | LRV | 2215 | Pallet Truck/4500 lb. Capacity | 1 | 700 |
| 257 | Cable Car | 2213 | Portable Grease Pump | 1 | 990 |
| 258 | LRV | 2211 | Expanding Mandrel Set | 1 | 600 |
| 259 | Cable Car | 2211 | Oily Water Separator | 1 | 6,600 |
| 260 | W&S | 2213 | 10 Ton Rail Dollies | 1 | 8,000 |
| 261 | W&S | 2213 | Diesel Powered Welders | 1 | 6,390 |
| 262 | W&S | 2210 | Stock Feeders | 2 | 948 |
| 263 | W&S | 2213 | Circular Saw | 1 | 554 |
| 264 | W&S | 2211 | Wood Shaper | 1 | 607 |
| 265 | W&S | 2213 | 185 CFM Air Compressor | 1 | 17,040 |
| 266 | W&S | 2211 | Sawbuck Saw | 1 | 799 |
| 267 | W&S | 2213 | 90 lb. Jack Hammer | 3 | 3,000 |
| 268 | W&S | 2213 | Hydraulic Hand Pallet | 1 | 1,651 |
| 269 | LRV | 2211 | Rotary Positioner | 1 | 1,920 |
| 270 | LRV | 2210 | Tool Storage System | 2 | 1,188 |
| 273 | W&S | 2213 | 60 lb. Pneumatic Tie Tamper | 4 | 6,000 |
| 276 | LRV | 2217 | Insulation Tester | 1 | 944 |

| Ref # | Dept | SUBOBJ | DESCRIPTION | # | TOTAL COST |
|-------|-----------|--------|-------------------------------|----|------------|
| 277 | W&S | 2211 | Vibrator Plate | 2 | 3,215 |
| 278 | W&S | 2211 | Track Bolt Torquing Machine | 2 | 12,600 |
| 280 | W&S | 2213 | Track Jacks | 16 | 6,960 |
| 281 | W&S | 2213 | Lawn Mower | 1 | 1,000 |
| 282 | LRV | 2210 | Insulation Tester | 1 | 3,202 |
| 283 | LRV | 2210 | Illumination Probe | 1 | 713 |
| 287 | W&S | 2213 | Utility Vehicle | 1 | 12,100 |
| 288 | W&S | 2213 | 60 Lb. Pneumatic Spike | 4 | 4,300 |
| 289 | W&S | 2213 | Hydraulic Track Jack | 2 | 4,630 |
| 290 | W&S | 2213 | Pan Jack | 8 | 8,816 |
| 291 | W&S | 2213 | Heavy Duty Toe Jack | 2 | 3,117 |
| 292 | LRV | 2217 | Material Hardness Tester | 1 | 2,050 |
| 293 | LRV | 2211 | Outside Micrometer Master | 1 | 910 |
| 295 | LRV | 2211 | Depth Micrometer Calibration | 1 | 1,015 |
| 296 | LRV | | Master | | |
| 297 | LRV | 2211 | Air Vacuum | 1 | 1,598 |
| 298 | LRV | 2211 | Intrinsic Sets | 4 | 9,195 |
| 299 | LRV | 2210 | Capacitor - Inductor Analyzer | 1 | 2,232 |
| 301 | Cable Car | 2215 | Pressure Washer | 1 | 1,320 |
| 302 | LRV | 2210 | 100 Volt Power Supply | 1 | 2,787 |
| 303 | LRV | 2211 | Floor Press, 20 Ton | 1 | 3,000 |
| 304 | LRV | 2210 | 55 Volt Power Supply | 1 | 1,832 |
| 305 | LRV | 2210 | Megohmmeter | 1 | 702 |
| 306 | LRV | 2217 | Printer Circuit Ammeter | 1 | 1,062 |
| 308 | LRV | 2215 | Surveillance Cameras | 2 | 1,960 |
| 309 | LRV | 2211 | Honing Machine | 1 | 10,900 |
| 369 | Trolley | 2220 | Portable Cellular Telephone | 1 | 1,613 |
| 369.1 | LRV | 2202 | 3/4 Ton Van | 1 | 19,845 |
| 369.2 | W&S | 2202 | 3/4 Ton Van | 1 | 19,845 |
| 369.6 | Diesels | 2213 | Forklift | 1 | 39,775 |
| 439 | Fleet | 2231 | 8-Channel Chart Recorders | 2 | 34,250 |
| 440 | Fleet | 2231 | Tracker-Switcher | 1 | 3,225 |
| 445 | Fleet | 2265 | LCR Meter | 1 | 1,530 |
| 446 | Fleet | 2265 | Vehicle Test Interface | 1 | 7,550 |
| 447 | Fleet | 2265 | Inverter | 2 | 3,300 |
| 448 | Fleet | 2265 | Uninterrupt Power Supp | 1 | 8,600 |
| 449 | Fleet | 2265 | Digital Multimeters | 2 | 1,500 |
| 450 | Fleet | 2265 | Isolation Transformer | 1 | 775 |
| 451 | Fleet | 2265 | Transistor Tester | 1 | 775 |
| 453 | Fleet | 2265 | Power Standard Supply | 2 | 4,950 |
| 456 | Fleet | 2265 | Power Meters | 1 | 600 |
| 458 | Fleet | 2265 | Tapley Meter | 1 | 700 |
| 459 | Fleet | 2265 | Insulation Tester | 1 | 700 |
| 460 | Fleet | 2265 | Current-Power Probe | 1 | 500 |
| 463 | Fleet | 2265 | Accelerometer | 1 | 3,250 |
| 464 | Fleet | 2265 | Frequency Counter | 1 | 2,400 |
| 465 | Fleet | 2231 | 4-Channel Chart Recorder | 1 | 6,700 |
| 467 | Fleet | 2265 | Inside-Outside Micrometer | 1 | 550 |
| 470 | Fleet | 2265 | Real-Time Analyzer | 1 | 20,000 |
| 475 | Fleet | 2265 | Millivoltmeter | 1 | 2,200 |
| 476 | Fleet | 2265 | Oscilloscope | 1 | 3,600 |
| 491 | Admin | 2220 | Portable Radios | 1 | 4,806 |
| 512 | Plant | 2213 | Digital Anemometer | 1 | 950 |
| 514 | Plant | 2213 | Dual Power Supply | 1 | 2,200 |
| 518 | Plant | 2213 | Fiber Scope | 1 | 9,150 |
| 520 | Plant | 2213 | Stroboscope | 1 | 1,325 |
| 522 | Plant | 2213 | Temperature/Humidity Recorder | 1 | 900 |

| Ref # | Dept | SUBOBJ | DESCRIPTION | # | TOTAL COST |
|-------|--------|--------|--------------------------|---|---------------|
| 526 | Plant | 2213 | Portable Oscilloscope | 1 | 12,840 |
| 528 | Plant | 2213 | Posilector | 1 | 875 |
| 560 | H&S | 2242 | Air Purifying Respirator | 1 | 550 |
| 564 | H&S | 2242 | Air Purifying Respirator | 1 | 642 |
| 575 | Bureau | 2299 | Bookbinder | 1 | 25,890 |
| 576 | Bureau | 2299 | Shrink Packing System | 1 | 5,455 |
| 577 | Bureau | 2299 | Heavy Duty Sticher | 1 | 12,395 |
| 578 | Bureau | 2299 | Paper Cutter | 1 | 7,109 |

1,430,625
=====

Non-Revenue Vehicles

| VEHICLE CLASS | CLASSUM | PRIO | VEH # | YR | MAKE | MODEL | DIVISION | LOCATION | OPERATOR | |
|---------------|---------|------|--------|----|----------|----------------------|-------------|------------|------------------|--------|
| ANDS SORT | | | | | | | | | | |
| 00 D | | | 10 164 | 86 | CHEVY | S-10 | TRAN T&A | 949 PRESID | CIECHOWICZ/MAILR | 149.86 |
| 05 D | | | 54 524 | 83 | CHEVY | 1/2 T PICKUP | MNT PW PL M | 24th&Utah | MESSER | 160.91 |
| 05 D | | | 53 513 | 83 | CHEVY | 1/2 T PICKUP | MNT ELEC LR | GREEN LRV | MILLER | 171.93 |
| 00 D | | | 26 418 | 81 | FORD | 1/2 T PICKUP | MNT PW SE | 24th&Utah | MILLER/AQUIRRE | 188.43 |
| 05 D | | | 36 832 | 82 | FORD | 150 CUSTOM | MNT PW OHL | 1401 BRNH | CONKLIN | 199.46 |
| 05 D | | | 52 833 | 82 | CHEVY | 1/2 T PICKUP | MNT PW OHL | 1401 BRNH | CONKLIN | 210.46 |
| 00 E | | | 42 523 | 83 | CHEVY | 3/4 TON PU | MNT PW TM | 24th&Utah | KAMIERZ/BUJORI | 222.88 |
| 00 E | | | 21 492 | 81 | DODGE | 3/4 TON PU | MNT D NGR | CABLE CAR | WILLIAMS | 234.84 |
| 00 E | | | 56 809 | 84 | DODGE | 3/4 TON PU | MNT PW OHL | 1401 BRNH | CONKLIN | 247.00 |
| 00 E | | | 51 491 | 81 | FORD | 3/4 TON PU | MNT PW PL M | 24th&Utah | MESSER/FLORES | 261.52 |
| 00 E | 162.585 | 53.3 | 508 | 83 | DODGE | D350 | MNT PW TM | 24th&Utah | KAMIERZ/JORDAN | 276.00 |
| 00 E | | | 20 494 | 81 | DODGE | 3/4 TON PU | MNT CM TRK | CABLE CAR | O'GUINN | 288.2 |
| 00 E | | | 11 464 | 77 | FORD | 3/4 TON PU | MNT PW PL M | 24th&Utah | MESSER | 306.7 |
| 00 E | | | 24 488 | 81 | GMC | 3/4 TON PU | MNT PW PL M | 24th&Utah | MESSER/CARDELLA | 321.2 |
| 00 E | | | 28 499 | 81 | DODGE | 3/4 TON PU | MNT PW TM | 24th&Utah | KAMIERZ/ABUTIAK | 333.3 |
| 00 E | | | 10 455 | 77 | FORD | 3/4 TON PU | MNT D SS | WOODS | BLANCHFIELD/FORE | 345.5 |
| 00 E | | | 23 496 | 81 | DODGE | 3/4 TON PU | MNT ELEC TR | FIDRERO | JENSEN/WILLIAMS | 357.7 |
| 00 E | | | 27 493 | 81 | DODGE | 3/4 TON PU | MNT PW TM | 24th&Utah | MESSER/PETERSEN | 369.9 |
| 00 E | | | 25 489 | 81 | GMC | 3/4 TON PU | MNT PW PL M | 24th&Utah | MESSER/FUND | 384.4 |
| 00 F | | | 4 218 | 84 | FORD | BRONCO | MNT | GREEN LRV | ADAMS | 402.9 |
| 00 F | | | 416 | 81 | DODGE | 1 TON PU | BUR ADM | 949 PRESID | THOMPSON | 18.5 |
| 00 F | | | 29 420 | 81 | DODGE | 1 TON PU | MNT CM TRK | CABLE CAR | O'GUINN | 37.0 |
| 00 F | | | 22 423 | 81 | GMC | 3500 | MNT ELEC SS | GREEN LRV | WYNN | 55.5 |
| 45 F | | | 34 504 | 81 | GMC | 1 TON | MNT PW SE | 24th&Utah | CONKLIN | 75.3 |
| 75 F | 120.720 | | 3 432 | 85 | FORD | 1 TON PU | MNT ELEC | 949 PRESID | GRANT | 102.2 |
| 80 B | | | 15 469 | 79 | FORD | 1/2 TON VAN /C | MNT ELEC SS | GREEN LRV | MILLER | 114.4 |
| 80 B | 27.090 | | 490 | 78 | DODGE | 1/2 T VAN | BUR MIS | 425 MASON | THOMPSON | 129.3 |
| 45 I | 19.845 | 55 | 532 | 83 | FORD | 3/4 VAN | MNT PW TM | 24th&Utah | KAMIERZ/FIELDS | 149.1 |
| 00 K | | | 533 | 84 | FORD | 1 TON VAN | BUR FIN | 949 PRESID | HARRINGTON | 170.6 |
| 00 K | | | 7 649 | 79 | DODGE | 1 TON VAN | TRAN ST | WOODS | GILBERT | 192.1 |
| 00 K | | | 534 | 84 | FORD | 1 TON VAN | BUR FIN | 949 PRESID | HARRINGTON | 213.6 |
| 00 K | 101.560 | | 529 | 84 | FORD | VAN | BUR FIN | 949 PRESID | HARRINGTON | 250.6 |
| 35 L | 103.475 | 53.2 | 641 | 78 | FORD | 2 TON | MNT PW TM | 24th&Utah | KAMIERZ/NEGRINI | 274.1 |
| 00 L | | | 49 642 | 9 | FORD | ECONOLN250 | MNT PW OHL | 1401 BRNH | CONKLIN | 319.1 |
| 00 L | | | 60 476 | 79 | FORD | 1 TON F350 | MNT D NGR | 24th&Utah | WILLIAMS | 361.1 |
| 35 L | | | 35 414 | 81 | GMC | 3500 | MNT PW TM | 24th&Utah | KAMIERZ | 397.1 |
| 00 M | | | 640 | 77 | GMC VAN | 2 1/2 TON | BUR FIN | FLYNN CTR | HARRINGTON | 434.1 |
| 00 M | | | 647 | 80 | FORD VAN | 2 1/2 TON | BUR FIN | 949 PRESID | HARRINGTON | 471.1 |
| 00 N | 111.000 | 48 | 507 | 81 | CHEVY | 1 TON V | MNT PW TM | 24th&Utah | KAMIERZ | 508.1 |
| 00 N | | | 61 622 | 81 | GMC | FLATBED (1 T BEISEL) | MNT D GR | LIBLAND | BLANCHFIELD/LARG | 545.0 |
| 00 N | | | 46 653 | 81 | GMC | FLATBED | MNT ELEC | WOODS | BLANCHFIELD | 580.0 |
| 00 N | | | 33 654 | 81 | GMC | FLATBED | MNT ELEC | 949 PRESID | GRANT | 615.0 |
| 00 N | 137.900 | 31 | 498 | 81 | DODGE | FLATBED (1 TON) | MNT CM TRK | CABLE CAR | O'GUINN | 646.0 |

Municipal Railway

| | | |
|--------------|--|----------|
| 91-35-00-101 | Replace XT Computer With 386/SX (Sig. Mnt.) | \$ 3,200 |
| 91-35-00-102 | Replace XT Computer With 386/SX (Sig. Mnt.) | \$ 3,200 |
| 91-35-00-103 | Digital Equipment Testing Laptop (Supp. Shops) | \$ 3,550 |
| 91-35-00-104 | LRV Subway Simulation Testing Laptop(Track 11) | \$ 3,550 |
| 91-35-00-105 | 386/SX and Laser Printer (Station Operations) | \$ 3,200 |
| 91-35-00-106 | H.P. CCompatible Laser Printer (Station Ops.) | \$ 2,000 |
| 91-35-00-107 | 386/SX and Laser Printer (Surface Transp.) | \$ 3,200 |
| 91-35-00-108 | H.P. CCompatible Laser Printer (Surface Tran.) | \$ 2,000 |
| 91-35-00-109 | Tektronix Testing Software (Fleet Eng.) | \$ 3,450 |
| 91-35-00-110 | Tektronix Interface Board (Fleet Eng.) | \$ 2,375 |
| 91-35-00-111 | Houston Instruments Plotter (Fleet Eng.) | \$ 5,400 |
| 91-35-00-112 | Vehicle Testing Computer & Display(Fleet) | \$ 4,875 |
| 91-35-00-113 | Analog Input and A/D Converter Card (Fleet) | \$ 1,525 |
| 91-35-00-114 | Keithly Analog Input Card (Fleet Eng.) | \$ 1,235 |
| 91-35-00-115 | (3) Sumagraphic Digitizers (Fleet Eng.) | \$ 1,650 |
| 91-35-00-116 | (2) Internal Tape Backups (Fleet Eng.) | \$ 1,400 |
| 91-35-00-117 | HP Scanjet with document feeder (Admin.) | \$ 3,040 |
| 91-35-00-118 | Fax Card (Admin.) | \$ 1,095 |
| 91-35-00-119 | HP Comp. Laser Prtr 3D, 8mb Memory (Admin.) | \$ 3,025 |
| 91-35-00-120 | 386/SX & Laser Printer (Grafitti Prevention) | \$ 5,000 |
| 91-35-00-121 | 386 Laptop PC (Community Affairs) | \$ 5,000 |
| 91-35-00-122 | Macintosh Memory Upgrade (Community Affairs) | \$ 457 |
| 91-35-00-123 | MAC IICX Accelerator Board (Com. Affairs) | \$ 2,392 |
| 91-35-00-124 | 9600 Baud Modem | \$ 1,015 |
| 91-35-00-125 | MAC IIX to MAC IIFX Upgrade (Com. Affairs) | \$ 2,332 |
| 91-35-00-126 | 386/SX (Enderly & Handicapped) | \$ 3,200 |
| 91-35-00-127 | NEC 20" Monitor/Controller (Engineering) | \$ 3,500 |

TOTAL \$ 75,676

Bureau of Personnel and Training

| | | |
|--------------|---|----------|
| 91-40-00-101 | 386/sx PC for Exam Unit | \$ 2,800 |
| 91-40-00-102 | 386/sx PC for Affirmative Acttion/EEO Unit | \$ 2,800 |
| 91-40-00-103 | 386/sx PC Replacement for Pass System XT PC | \$ 2,800 |
| 91-40-00-104 | 386/sx PC for Operations Position Tracking | \$ 2,800 |
| 91-40-00-105 | H.P. Laserjet Compatible Prt /6MB Ram/Fonts | \$ 2,600 |

TOTAL \$ 13,800

Protective Services

| | | |
|--------------|----------------------------------|---------|
| 91-40-00-106 | 386/sx PC and dot matrix printer | \$3,700 |
|--------------|----------------------------------|---------|

PUC Administration- Contract Compliance

| | | |
|--------------|--|---------|
| 91-40-00-107 | 386/sx PC and HP Lasetjet III Compatible Ptr | \$5,827 |
|--------------|--|---------|

Total \$99,203

Item 39 - File 100-90-1.8

Note: This item was continued at the January 16, 1991 Finance Committee Meeting.

Department: Water Department

Proposed Action: Release of reserved funds, previously appropriated for development of an expert system to assist in operations of the San Francisco Water Supply Network. The funds were appropriated in the Water Department's 1990-91 budget.

Amount: \$75,000

Source of Funds: Water Department Operating Fund

Description: The Board of Supervisors approved \$75,000 in the Water Department's FY 1990-91 budget to fund a study to develop a system to assist in operations of the San Francisco Water Supply Network. The \$75,000 was reserved pending submission of detailed contractual data.

According to the Water Department, a significant amount of operational knowledge is lost through the retirement of key personnel. The purpose of the proposed study is to develop a computer-based "expert system" to document and retain knowledge so that it is immediately available to assist in making decisions concerning the operation of the City's Water Supply Network. The study is to be conducted by Stanford University under an outside contract. The two principal objectives of the "expert system" project are as follows:

- a. Develop a prototype expert system that can assist in meeting operational goals while allowing for individual differences in style among operators. The system would have utility in both day-to-day operations and in training novice operators.
- b. Provide a level of user participation in the expert system development process that will allow selected individuals of the San Francisco Water Department staff to continue to utilize and modify the expert system after the proposed project is completed.

Comments:

1. Listed below are the major steps leading to completion of the study as provided to the Budget Analyst by staff of the Public Utilities Commission (PUC). Steps one through six and part of step seven have already been completed by Stanford University at its own cost. Attachment 1 is a proposed project schedule.

Major Project Steps

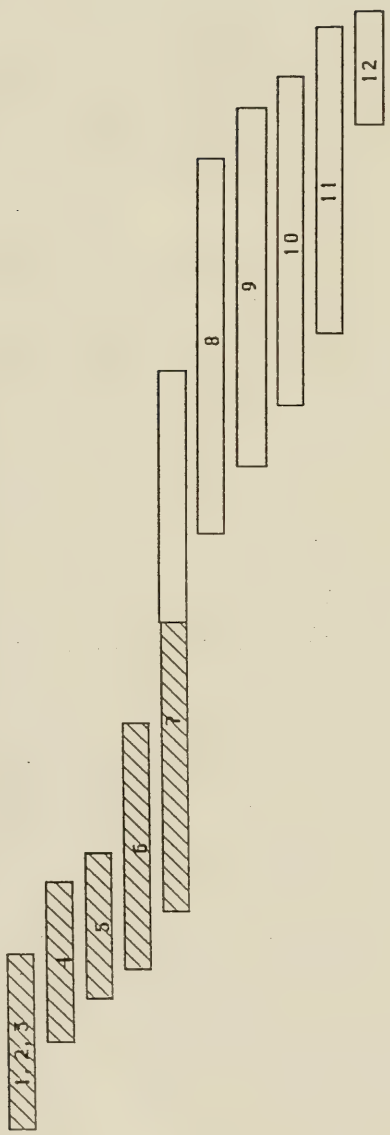
1. Familiarization with problem domain
 2. Analysis of the problem domain
 3. Disaggregation of the problem into modules
 4. Software acquisition and training
 5. Design of knowledge acquisition exercise
 6. Rapid prototype for the first module
 7. Rapid prototyping for additional problem modules
 8. System validation exercises
 9. Improvements in user interface, explanation facilities, and links to other programs
 10. Further training for selected system users
 11. Recommendations for continued system development
 12. Project outputs and dissemination of results
2. The PUC has provided a proposed project budget which is shown in Attachment 2.
3. As shown in the attached proposed budget (Attachment 2) for the requested project, Stanford University's overhead cost rate is 55.5 percent of direct costs, or \$22,328. When initially proposed, the overhead cost rate was 74 percent of direct costs. The overhead rate reduction results in a contract reduction amount of \$7,442, or from \$75,000 to \$67,558.

4. As previously noted, the Water Department intends to contract with Stanford University on a sole-source basis for the proposed study. At its meeting of January 16, 1991, the Finance Committee continued the requested release of reserve because the Department had not obtained the approval of the Human Rights Commission to contract with Stanford University. The Human Rights Commission approved the request for the sole-source contract on May 15, 1991.

Recommendations: 1. Approve the release of reserved funds in the amount of \$67,558.

2. Request the Controller to return the remaining \$7,442 to the Water Department Operating Fund.

Estimated Schedule for Project Implementation*



0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32
Time (in months) from start of project

Time (in months) from start of contract 0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16

* Numbers correspond to tasks in Research Approach and Implementation
Shaded regions indicate tasks completed at Stanford's own cost

PROPOSED BUDGET EXPERT SYSTEM

| | |
|--|---------------|
| Professor Leonard Ortolano, Principal Investigator | |
| 5% academic year | \$ 4,953 |
| 5% summer | 1,225 |
| Anne Steinemann, Student Research Assistant | <u>21,088</u> |
| 50% time | |
| Total Direct Salaries | \$27,266 |
| Fringe Benefits | 7,841 |
| Miscellaneous | 3,995 |
| Engineering support (2.55% of direct costs) | <u>1,128</u> |
| Modified Total Direct Cost | 40,230 |
| Indirect costs (i.e., University overhead 55.5%) | 22,328 |
| Computer Equipment (for SFWD use) | 5,000 |
| Total amount requested | \$ 67,558 |

Item 40 - File 101-90-69.1

Department: Department of Public Works (DPW)

Item: Request for release of reserved funds, Department of Public Works, in the amount of \$1,060,775, for the construction of the Mission Street Pavement Renovation Project.

Amount: \$1,060,775

Source of Funds: 1987 Street Improvement Bond funds

Description: In March of 1991, the Board of Supervisors approved a supplemental appropriation request in the amount of \$2,328,354 for three pavement renovation projects. Of the total, the Finance Committee reserved \$1,060,775 for the Mission Street Pavement Renovation Project pending the provision of the contract bid amount, and MBE/WBE/LBE status of the contractor. The Department is now requesting the release of reserves in the amount of \$1,060,775 for the construction of the Mission Street Pavement Renovation Project.

Mr. Joe Ovadia of DPW advises that the bids are scheduled to be opened on June 12, 1991, the day of the Finance Committee meeting. The Department had requested that this request be heard on June 19, 1991, because the State requires that DPW award the contract by June 30, 1991 in order to receive the matching grant funds. According to Mr. Ovadia, DPW will present the requested contract information at the Finance Committee of June 12, 1991.

Comment: Mr. Ovadia reports that DPW has divided the pavement renovation project into two phases. Construction of the first phase of the project will begin in mid-July and is scheduled for completion in mid-August. DPW expects to begin the second phase in January of 1992.

Recommendation: Approval of the Department's request for release of reserve of \$1,060,775 is contingent on the provision of the contract information requested by the Finance Committee.

Item 41 - File 101-90-118

Department: Department of Public Works (DPW),
Clean Water Program (CWP)

Item: Ordinance appropriating funds for a capital improvement project

Amount: \$2,215,000

Source of Funds: Sewer Revenue Bond Fund Series 1988A

Project: Islais Creek Transport Design

Description: The proposed ordinance would provide additional funds for the Islais Creek Transport Design Project. The Regional Water Quality Control Board (RWQCB) has mandated the control of combined sewer overflows from San Francisco's Sewer Systems. One of the systems to be controlled is the Islais Creek System consisting of four overflow points. The RWQCB issued a National Pollution Discharge Elimination System (NPDES) permit CA 0038610 by Order No. 84-20 which requires the City to design and construct facilities to achieve a long-term average of ten overflows per year in this discharge zone.

To address these points, the Clean Water Program prepared a facilities plan and environmental document for the Islais Creek Transport Storage Facilities. These were approved by the Board of Supervisors in May of 1989 (Resolutions 374-89 and 375-89). On September 18, 1989, the Board of Supervisors passed Ordinance 331-89 to fund the design of the facilities.

The Islais Creek Transport Storage Project is one of several Combined Sewer Overflow (CSO) Control Facilities in the City's Master Plan for Wastewater Management. The proposed project is located within the City adjacent to the San Francisco Bay and is intended to transport sewage to the Southeast Water Pollution Control Plant in order to reduce the number of overflows into the San Francisco Bay during the City's rainy season.

The proposed supplemental appropriation would fund the following projects for additional investigations, analysis and designs required for the purchase of required easements for right-of-way and for required utility relocation work:

| <u>Project</u> | <u>Amount</u> |
|---|---------------|
| Alignment Change As the Islais Creek Transport project design began, geotechnical studies were performed to establish underground conditions along the planned alignment of the facilities. Those studies determined that because of the geologic strata, materials and soil strengths, in conjunction with the physical constraints of existing Caltrans and Southern Pacific Railroad structures, a portion of the planned facilities could not be constructed where planned. A new alignment of facilities has to be utilized. A new alignment requires a major extension of the facilities, the construction of a replacement railroad bridge to create space for the transport structure, and a new large weir (low dam built to back up water) controlled outfall structure. To design the revised facility, additional design time not included in the original budget is required. DPW will modify an existing contract with Transpacific and Dames and Moore in a Joint Venture to conduct the additional designs. | \$50,000 |
| Geotechnical Investigations The new alignment will traverse an area where no geotechnical information is available. Extensive field borings and laboratory tests are required to determine existing conditions for design data. DPW will modify an existing contract with Transpacific and Dames and Moore in a Joint Venture to conduct the geotechnical investigations. | 150,000 |

| <u>Project</u> | <u>Amount</u> |
|--|---------------|
| Southern Pacific Requirements A major length of the transport and storage facility will be installed in the Southern Pacific right-of-way and a tunnel is required under the mainline tracks. Southern Pacific is requiring as a condition in permitting the City to install the transport and storage facility in the Southern Pacific right-of-way, that a consultant of their choice review and approve all calculations for structures and construction shoring in their right-of-way at a cost of \$35,000. In addition, Southern Pacific is requiring that the design of the railroad bridge be conducted by that same consultant at a cost of \$80,000. The DPW has decided to have the consultant prepare the plans and specifications for the tunnel and cofferdam (temporary rectangular dam) structures under the Southern Pacific right-of-way at a cost of \$160,000. Southern Pacific has chosen Jacobs Associates to be the consultant. | \$275,000 |
| Surveying The new major transport alignment and 5,400 feet of local sewer, which have been determined must be relocated, require a major increase in the budget for surveying to determine control. The DPW intends to directly provide this service. | \$100,000 |
| Toxics Soil Investigations A toxics and hazardous soils investigation during the construction phase has been planned. This work includes field borings and laboratory testing of the soils samples as required by Section 1001 (a)(2)A of the Public Works Code. Baseline Environmental was selected to perform the Toxics Soil Investigations. | 250,000 |

| <u>Project</u> | <u>Amount</u> |
|--|---------------------------|
| Noise Consultant Since construction will have to be done at night in order to comply with RWQCB completion dates, a noise consultant is also required to evaluate equipment, timing and special conditions required. DPW has selected Wilson Ihrig Associates as the Noise Consultant. | 10,000 |
| Easements and Right-Of-Way The DPW reports that because the design is approximately 50 percent complete, the DPW can define the easements and right-of-way required. The \$750,000 cost was estimated by the Real Estate Department. | 750,000 |
| Utility Relocation The alignment of a portion of the project traverses Southern Pacific right-of-way. There are existing utility facilities within this right-of-way. These facilities must be relocated to provide space for the new transport and storage facility. Because these utilities are in a private right-of-way, under agreement with the owner, the relocation must be financed by the City. The following is a breakdown of the utilities that need to be relocated: | 630,000 |
| MCI | \$270,000 |
| Sprint | 32,000 |
| Williams Telecom | 38,000 |
| Western Union | 25,000 |
| Southern Pacific | 25,000 |
| PG&E | <u>240,000</u> |
| Total | \$630,000 |
| Total Amount Requested | <u>\$2,215,000</u> |
| Comments: | |
| 1. Transpacific, in a joint venture with Dames and Moore, was previously selected through a RFP process to conduct the Alignment Change and the Geotechnical Investigations. Transpacific is a City-certified MBE firm. Dames and Moore is a not a MBE/WBE firm but is a LBE firm. Southern Pacific has selected Jacobs Associates through a subcontract with Deleuw Cather to review and approve all calculations for structures and construction shoring and the design of railroad bridge plans and specifications for tunnel | |
| <u>BOARD OF SUPERVISORS</u> <u>BUDGET ANALYST</u> | |

structures. Jacobs Associates is neither a MBE/WBE nor a LBE firm. Baseline Environmental was selected through an RFP process to conduct the Toxics Soils Investigations. Baseline Environmental is a City-certified WBE firm. Wilson Ihrig Associates under a subcontract with Deleuw Cather was selected as the Noise Consultant. Wilson Ihrig Associates is neither a MBE/WBE nor a LBE firm.

2. DPW advises that the Department will request the State Water Resources Control Board participation in the financing of this \$2,215,000 design effort through a construction loan. However, that loan would not be available until construction begins in December of 1991. Therefore, this design project would initially be funded entirely by the City's Sewer Revenue Bond funds.

Recommendation: Approve the proposed ordinance.

Item 42 - File 101-90-125

Department: Department of Public Works
Clean Water Program

Item: Supplemental Appropriation Ordinance for capital improvement project to fund the Best Management Practices Program, a program of pollution prevention and control activities.

Amount: \$541,000

Source of Funds: Accumulated interest on the proceeds from General Obligation bonds that have been invested until bond funded projects begin.

Description: The Clean Water Program has obtained a permit to discharge treated wastewater from the Oceanside Water Pollution Control Plant into the Pacific Ocean. A condition of that permit requires a program to study and initiate a series of pollution prevention activities to reduce the level of certain metallic pollutants entering the wastewater system.

The proposed supplemental appropriation would fund the required program consisting of the following three main elements:

Implementation Plan

Education, regulatory and public controls directed at the general public, municipal departments and commercial and industrial businesses.

Monitoring Program

Sampling and analysis of the wastewater stream, public surveys and other methods to evaluate effectiveness and acceptability of pollution prevention activities.

Study Plan

Investigation of potential sources of toxic chemical discharges into the wastewater system and development of cost effective discharge control measures. (The Study Plan must be completed by August, 1992).

The three main elements will be accomplished by the Department of Public Works, Solid Waste Management Program and the Department of Public Health. The

BOARD OF SUPERVISORS
BUDGET ANALYST

proposed supplemental appropriation which would fund a two-year budget for the program is as follows:

Public Information

\$135,000

The program proposes to develop and distribute literature on the impact of household hazardous waste, pest and garden chemical use and other daily activities that may have an impact on the Bay or Ocean. These brochures will be distributed and the pollution prevention program will be discussed in conjunction with public sewer tours and a proposed speaker bureau program. \$25,000 will go to Solid Waste Management and \$110,000 to the Human Resources Corporation (HRC), a contractor to the DPW Public Affairs Office. HRC, a Minority Business Enterprise, will perform a total of 2,672 hours of professional services at an average hourly rate of \$36.56 and a personal services subcontractor will perform 560 hours at a rate of \$22 per hour.

Commercial/Industrial Business Workshops

50,000

The program proposes to help small quantity generators in reducing discharges of toxic chemical, by developing self audits and workshops. Targeted groups will be determined through information gathered from the Study Plan activities. Solid Waste Management will get \$10,000, the Department of Public Health will get \$20,000 and the DPW Bureau of Environmental Regulation and Management (BERM) will get \$20,000.

City Department Training

35,000

The program proposes to provide site specific training to City employees on the impacts of improper use and disposal of toxic materials used in their work environment. Training also will be provided on how to identify and report illegal dumping and the adverse impacts of toxic materials discharged into the combined sewer system. \$15,000 will go to the Department of Public Health and \$20,000 will go to the BERM.

BOARD OF SUPERVISORS
BUDGET ANALYST

The Implementation of the Study Plan

\$200,000

The purpose of the Study Plan is to identify if there is a need for additional source control measures and decide if there are cost effective pollution prevention measures to address the constituents of concern identified in the plan. The implementation of the study plan will require a coordinated effort by the Bureau of Water Pollution Control (\$10,000), Bureau of Environmental Regulation Management (\$20,000), Bureau of Streets and Sewer Repair (\$10,000) and the Office of Engineering and Construction Management (\$20,000), all with DPW. The Plan requires sampling, experimenting, data collection and analytical calculations to determine if cost effective source control measures can be developed to reduce toxicants in the aquatic environment. To carry out the study plan, a consultant (\$130,000) will be obtained through a Request For Proposal (RFP) process to perform the coordination, data collection and reporting aspects of the study plan. The remaining \$10,000 will go to HRC for 327 hours of service at an average rate of \$30.58 per hour.

Public Education Program

15,000

A Water Department environmental education program is currently providing information on recycling, water conservation and other environmental issues. The public education program proposes to expand on existing programs to include information on the impacts of toxic material on the aquatic environment and distribute the information through the environmental education network.

Printing and Postage

36,000

Several of the specific tasks identified are for the preparation and distribution of printed material. Cost for printing and postage have been separated from brochure development.

BOARD OF SUPERVISORS
BUDGET ANALYST

Program Management

70,000

Program Management to be performed by the contractor DeLeuw-Cather has the responsibility of coordinating all aspects of the pollution prevention program identified in this proposed supplemental request. Under this category, information on the pollution prevention program is collected and distributed. Also, an annual report on program activities is prepared and submitted to the Regional Board by August 1st of each year. DeLeuw-Cather will provide 1,467 hours of professional services at an average hourly rate of \$47.72.

Total

\$541,000

Comments:

The \$130,000 for consulting services for the Implementation of the Study Plan should be reserved pending selection of the consultant through an RFP process and determination of hours, rates and MBE/WBE status for the selected consultant.

Recommendation:

Amend the proposed supplemental appropriation ordinance to reserve the \$130,000 for consulting services for implementation of the Study Plan pending selection of the consultant and determination of hours, rates and MBE/WBE status. Approve the proposed supplemental appropriation ordinance as amended.

Item 43 - File 101-90-126

Department: Department of Public Works

Item: Ordinance appropriating \$24,402 for contract repairs of a cistern at 5th and Harrison Streets and certifying \$24,402 from that project to cover expenditures above ten percent of the contracted amount, pursuant to Charter Section 7.203

Amount: \$24,402

Source of Funds: 1986 Fire Protection Bond funds to be reimbursed by the Federal Emergency Management Agency (FEMA) and the State Office of Emergency Services (OES)

Description: This is a request in the form of a Supplemental Appropriation for approval to exceed the original contract amount by more than ten percent, and for approval to spend \$24,402 in previously appropriated funds, in accordance with the City Charter Section 7.203.

A cistern which is used for fire protection at 5th and Harrison Streets was cracked as a result of the Loma Prieta Earthquake in October of 1989. The original estimate for repair of the cistern was \$19,230. The authorized contract limit was \$21,153, which included a ten percent contingency authorization of \$1,923.

The method for repairing the cistern was to pump grout through holes drilled in the cistern's walls. The grout expanded and adhered to the exterior wall of the cistern, covering and filling the cracks. Prior to the commencement of the project, it was not possible to ascertain the extent of erosion outside the cistern. Because the exterior erosion was much more severe than anticipated, the materials for repair cost \$26,325 more than the original estimate of \$19,230, for a total repair cost of \$45,555, as follows:

| | |
|--|---------------|
| Additional grout (135 gallons @ \$195 per gallon) | \$26,325 |
| Original estimated repair cost | <u>19,230</u> |
| TOTAL Repair Cost | \$45,555 |
| Previously authorized contract limit (includes 10% contingency) | <u>21,153</u> |
| Requested authorization to exceed contract limit | \$24,402 |

BOARD OF SUPERVISORS
BUDGET ANALYST

This project is being funded by the 1986 Fire Protection Bond Program. Existing appropriated funds are available to cover the total project cost. Therefore, no additional funds are requested. Only approval to spend the additional funds is requested.

Comment:

1. Because the damage to this cistern was caused by the Loma Prieta Earthquake, all costs incurred by its repair are eligible for reimbursement by FEMA/OES. According to Mr. Robert Jew of the Department of Public Works, a Request for Supplemental to FEMA/OES has been submitted to cover the actual contract cost.

2. Mr. Jew reports that Charter Section 7.203 requires that an overage of more than ten percent of the bid amount shall be provided for by a supplemental appropriation. However, since existing appropriated funds are available to cover the overage, only approval to expend the overage is required.

3. According to Mr. Jew, repairs were finished approximately May 14, 1991 because (1) if the grout was not applied continuously, it would cause leaks; and (2) in order to receive FEMA/OES reimbursements, repairs had to be finished by May 17, 1991. Therefore, the proposed ordinance should be amended to give retroactive approval to expend the overage.

Recommendation: Amend the proposed ordinance to give retroactive approval to expend the overage. Approve the proposed ordinance as amended.

Item 44 - File 101-90-127

Departments: Department of Public Works (DPW)
Chief Administrative Officer (CAO)
City Attorney
Controller

Item: Supplemental Appropriation Ordinance to appropriate 1990 Earthquake Safety Bond Phase 2 sale proceeds to various capital improvement projects and program project budgets.

Amount: \$26,500,000

Source of Funds: 1990 Earthquake Safety Bonds

Description: In June, 1990, San Francisco voters authorized the sale of \$332.4 million in bonds to fund capital improvements to restore earthquake damaged buildings. In January, 1991, Phase 1 consisting of the first \$23 million of these bonds were sold and subsequently appropriated.

The proposed supplemental appropriation ordinance would appropriate proceeds of the June, 1991, Phase 2 sale of 1990 Earthquake Safety Bonds. A summary of the proposed \$26.5 million appropriation is as follows:

| | |
|-------------------------------------|----------------|
| Department of Public Works: | |
| Programming and Design Services | |
| for Three Projects | \$1,465,694 |
| Design, Construction Management and | |
| Construction for 12 Projects | 23,740,306 |
| Asbestos Abatement - Set Aside | 900,000 |
| Health and Safety Surveys | <u>250,000</u> |
| Subtotal - DPW | \$26,356,000 |
| CAO Bond Finance Advising | 7,000 |
| City Attorney Legal Services | 90,000 |
| Controller Financial Services | <u>47,000</u> |

Total Proposed Supplemental Appropriation \$26,500,000

The specific projects to be funded by the proposed supplemental appropriation are as follows:

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
June 12, 1991

| Total Estimated Cost | Previously Appropriated Bond Funds | <u>Proposed Supplemental Appropriation</u> | | |
|----------------------------|--|---|------------------|--------------|
| | | Department/Purpose | Amount | Total |
| <u>City Hall</u> | | | | |
| \$128,540,500 | \$1,256,972 | DPW This funding includes approximately \$6.0 million for planning and design work by the Bureau of Architecture, expenses of relocating City Hall offices during construction and continuing seismic design work performed by the contractor Forell/Elsesser. Approximately \$5.0 million will be paid for seismic design to a second contractor to be selected by a Request For Qualification (RFQ) process to be completed by June, 1991. | \$11,000,000 | |
| | | Construction Approximately \$1.0 million will be bid out by July, 1991, another \$1.0 million by September, 1991, and the balance of approximately \$5.0 million will be bid out by December, 1991. | <u>7,366,998</u> | \$18,366,998 |
| <u>City Hall Annex</u> | | | | |
| 136,000 | 44,000 | DPW Construction management services | \$8,160 | |
| | | Construction Contract will be bid out by January, 1992. | <u>83,840</u> | 92,000 |
| <u>Civic Auditorium</u> | | | | |
| 27,709,000 | 3,325,080 | DPW Includes approximately \$600,000 for Architecture services (Bureau of Architecture) and approximately \$600,000 for seismic design contractor to be selected by RFQ by June, 1991. | | 1,242,834 |
| <u>Davies Hall</u> | | | | |
| 760,000 | 91,200 | DPW Design and construction management services. | \$25,000 | |
| | | Construction Contract will be bid out as soon as funding is assured by the proposed supplemental appropriation. | <u>94,500</u> | 119,500 |

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
June 12, 1991

| | | <u>Proposed Supplemental Appropriation</u> | | |
|-------------------------------------|--|---|------------------|-----------|
| Total Estimated Cost | Previously Appropriated Bond Funds | Department/Purpose | Amount | Total |
| <u>DeYoung Museum Complex</u> | | | | |
| \$388,800 | \$57,600 | Construction Installation of handicap access improvements have already been completed. The proposed funding would reimburse the construction costs. | | \$10,000 |
| <u>DPH Headquarters (101 Grove)</u> | | | | |
| 17,735,100 | 581,972 | DPW Design services | \$913,800 | |
| | | Construction Contract for renovations to restrooms for handicapped access will be bid by November, 1991. | <u>175,000</u> | 1,088,800 |
| <u>EDP Building (240 Van Ness)</u> | | | | |
| 213,800 | | DPW Architectural services | | 46,860 |
| <u>Hall of Justice</u> | | | | |
| 542,600 | 65,112 | DPW Design and construction management services | \$54,260 | |
| | | Construction Contract will be bid out as soon as funding is assured. | <u>423,228</u> | 477,488 |
| <u>Laguna Honda Hospital</u> | | | | |
| 436,000 | 300,000 | Construction Contract will be bid out as soon as funding is assured. | | 136,000 |
| <u>Main Library</u> | | | | |
| 5,280,000 | 1,056,000 | DPW Design and construction management services. | 591,640 | |
| | | Construction Contract will be bid out by September, 1991. | <u>1,352,360</u> | 1,944,000 |

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
June 12, 1991

Marina Green - West End Restrooms

\$168,400

DPW

\$51,626

Design services

Construction

116,774

\$168,400

Contract will be bid out by September, 1991.

Mission Bartlett Parking Garage

18,000

Construction

18,000

Continuing construction contract.

Music Concourse

7,450,000

894,000

DPW

176,000

Design services

Palace of Fine Arts/Exploratorium

645,000

77,400

DPW

\$103,200

Design and construction management services.

Construction

464,400

567,600

Contract will be bid out by January, 1992.

San Bruno Women's Jail

854,000

102,480

DPW

\$136,640

Design and construction management services.

Construction

614,880

751,520

Contract will be bid out by February, 1992.

Asbestos Abatement Set Aside

DPW

900,000

Contingency to clean up any asbestos problems that are discovered during other construction.

Health and Safety Surveys

DPW

250,000

Total - Department of Public Works

\$26,356,000

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments:

1. Because contracts have not yet been awarded, the following amounts should be reserved pending selection of the contractors and determination of their MBE/WBE status:

Project

| | |
|--|----------------|
| City Hall - DPW Seismic Design* | \$5,000,000 |
| City Hall - Construction* | 7,366,998 |
| City Hall Annex - Construction | 83,840 |
| Civic Auditorium - DPW Seismic Design* | 600,000 |
| Davies Hall - Construction | 94,500 |
| DPH Headquarters - Construction | 175,000 |
| Hall of Justice - Construction | 423,228 |
| Laguna Honda Hospital - Construction | 136,000 |
| Main Library - Construction* | 1,352,360 |
| Marina Green - Construction | 116,774 |
| Palace of Fine Arts - Construction | 464,400 |
| San Bruno Women's Jail - Construction | <u>614,880</u> |
| Total Reserve | \$16,427,980 |

* Mr. Tom Thornton, Project Manager for the Bureau of Architecture, requests that these items totalling \$14,319,358 not be reserved in order to expedite the projects.

2. Mr. Calvin Malone of the Capital Improvements Advisory Committee (CIAC) reports that the projects to be funded by the proposed supplemental appropriation are consistent with the 1990 Earthquake Safety Bond Program and with the Six Year Capital Improvement Expenditure Plan.

Recommendations: 1. Amend the proposed supplemental appropriation ordinance to reserve \$16,427,980 pending selection of the contractors and determination of their MBE/WBE status.

2. Approve the proposed supplemental appropriation as amended.

Item 45 - File 101-90-128

Departments: Department of Public Works (DPW)
Fire Department
Chief Administrative Officer (CAO)
City Attorney
Controller

Item: Supplemental Appropriation Ordinance to appropriate 1989 Earthquake Safety Bond Phase 1 second bond sale proceeds to various capital improvement projects.

Amount: \$6,500,000

Source of Funds: 1989 Earthquake Safety Bonds

Description: In November, 1989, San Francisco voters authorized the sale of \$59.7 million in bonds to fund capital improvements to improve earthquake safety in City buildings. In May, 1990, the first \$20.5 million of Phase 1 bonds were sold and subsequently appropriated.

The proposed supplemental appropriation ordinance would appropriate proceeds of the June, 1991, Phase 1 second sale of 1989 Earthquake Safety Bonds. A summary of the proposed \$6.5 million appropriation is as follows:

| | |
|--|--------------------|
| Department of Public Works: | |
| Programming and Design Services | |
| for Fire Stations 31, 40 and Fire Department | |
| Headquarters Building | \$1,683,555 |
| Construction for Fire Stations 24, 37 and 44 | 4,282,160 |
| Planning and Assessment | 337,000 |
| Contingencies | 94,085 |
| Subtotal - DPW | <u>\$6,396,800</u> |
| CAO Bond Finance Advising | 1,700 |
| City Attorney Legal Services | 90,000 |
| Controller Financial Services | <u>11,500</u> |
| Total Proposed Supplemental Appropriation | \$6,500,000 |

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
June 12, 1991

The specific projects to be funded by the proposed supplemental appropriation are as follows:

| Total Estimated Project Cost | Previously Appropriated Bond Funds | <u>Proposed Supplemental Appropriation</u> | | |
|--|---|--|------------------|--------------|
| | | <u>Department/Purpose</u> | <u>Amount</u> | <u>Total</u> |
| <u>Fire Station #24</u> | | | | |
| \$1,986,000 | \$365,295 | DPW Construction management services | \$ 69,293 | |
| | | Construction Contract will be bid out by July, 1994. | <u>1,551,412</u> | \$1,620,705 |
| <u>Fire Station #31</u> | | | | |
| 2,505,000 | - | DPW Programming, planning and design services | | 496,648 |
| <u>Fire Station #37</u> | | | | |
| 1,888,000 | 662,967 | DPW Construction management services | \$52,490 | |
| | | Construction Contract will be bid out by January, 1993. | <u>1,172,543</u> | 1,225,033 |
| <u>Fire Station #40</u> | | | | |
| 1,446,000 | | DPW Programming, planning and design services | | 273,136 |
| <u>Fire Station #44</u> | | | | |
| 1,854,000 | 417,578 | DPW Construction management services | \$61,842 | |
| | | Construction Contract will be bid out by March, 1993. | <u>1,374,580</u> | 1,436,422 |
| <u>Fire Department Headquarters Building</u> | | | | |
| 4,616,000 | 69,240 | DPW Design services | | 913,771 |
| <u>Planning and Assessment</u> | | | | |
| 1,800,000 | 1,463,000 | DPW Facility condition monitoring and planning and control | | 337,000 |

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
June 12, 1991

Contingencies

DPW

\$94,085

For changes in scope of projects necessitated
by incomplete or missing plans for the Fire
Stations

Total - Department of Public Works

\$6,396,800

Comments:

1. Because contracts have not yet been awarded, the following amounts should be reserved pending selection of the contractors and determination of their MBE/WBE status:

Project

| | |
|---------------------------------|------------------|
| Fire Station #24 - Construction | \$1,551,412 |
| Fire Station #37 - Construction | 1,172,543 |
| Fire Station #44 - Construction | <u>1,374,580</u> |
| Total Reserve | \$4,098,535 |

2. Mr. Calvin Malone of the Capital Improvements Advisory Committee (CIAC) reports that the projects to be funded by the proposed supplemental appropriation are consistent with the 1990 Earthquake Safety Bond Program and with the Six Year Capital Improvement Expenditure Plan.

Recommendations: 1. Amend the proposed supplemental appropriation ordinance to reserve \$4,098,535 pending selection of the contractors and determination of their MBE/WBE status.

2. Approve the proposed supplemental appropriation as amended.

Item 46, 47, and 48 - File 148-91-8, 148-91-9 and 270-91-4

Department: Department of Public Works (DPW)

Item: Item 46 (File 148-91-8) is a proposed resolution authorizing the Director of Public Works to apply for \$58.5 million of Federal Highway Administration Emergency Relief Funds for the planning, design, and construction of a subsurface alternative to the Embarcadero Freeway, and to accept and expend \$4,593,600 of said funds for planning and environmental work for the project.

Item 47 (File 148-91-9) is a proposed resolution authorizing the Director of Public Works to apply for \$11.0 million of State Highway Funds for the planning, design, and construction of a subsurface alternative to the Embarcadero Freeway, and to accept and expend \$756,400 of said funds for planning and environmental work for the project.

Item 48 (File 270-91-4) is a proposed resolution approving expenditure of \$481,000 from the Mayor's Earthquake Emergency Relief Fund by the Department of Public Works for planning and conceptual engineering on the Embarcadero Freeway Replacement Project. The \$481,000 would be reimbursed upon receipt of the State and Federal grant funds.

Amount:

| | |
|---|-------------------|
| <u>To Apply for:</u> | |
| Federal Highway Administration Emergency Relief Funds | \$58,500,000 |
| State Highway Funds | <u>11,000,000</u> |
| Total Grant Funds | \$69,500,000 |

| | |
|---|----------------|
| <u>To Expend:</u> | |
| Federal Highway Administration Emergency Relief Funds | \$4,593,600 |
| State Highway Funds | 756,400 |
| Mayor's Earthquake Emergency Relief Fund | <u>481,000</u> |
| Total | \$5,831,000 |

Source of Funds: Federal Highway Administration Emergency Relief Funds
State Highway Funds
Mayor's Earthquake Emergency Relief Fund

Required Match: The State Highway Funds, amounting to 18.80 percent of the \$58.5 million Federal Grant, represent the non-Federal match.

BOARD OF SUPERVISORS
BUDGET ANALYST

Description:

The proposed resolutions (Items 46 and 47) would authorize the Department of Public Works to apply for \$58.5 million in Federal Highway Administration Emergency Relief Funds and \$11.0 million in State Highway Funds allocated for the replacement of the Embarcadero Freeway. Because the City has chosen to build a subsurface or surface alternative to the present earthquake-damaged structure, the Federal government has notified the City that it will only provide Federal Emergency Relief funds in an amount equal to the Federal share of the estimated cost to repair and retrofit the existing structure. The amount of \$58.5 million represents the Federal share, while the \$11.0 million represents the State's match to the Federal share of \$58.5 million of the estimated cost to repair and retrofit the existing structure.

DPW has provided the following preliminary rough estimate of the total cost to build a subsurface or surface alternative to the Embarcadero Freeway:

| <u>Project Cost</u> | <u>Amount in Millions</u> |
|---|-------------------------------|
| Engineering and Administration | \$19 |
| Construction | 86 |
| Escalation for inflation | 15 |
| Contingencies | <u>13</u> |
| Total estimated cost | \$133 |
| <u>Sources of Funding</u> | |
| Federal Emergency Relief (Item 46) | \$58.5 |
| State Emergency Relief (Item 47) | 11.0 |
| Interstate 280 Transfer Funds | 15.0 |
| Unidentified State, Federal, and Local Funding Sources | <u>48.5</u> |
| Total Sources | \$133.0 |

The proposed resolutions also authorize DPW to accept and expend \$4,593,600 from the Federal Highway Administration amount and \$756,400 from the State Highway Fund amount. DPW proposes to use these funds for planning and environmental work as follows:

| | <u>Federal Share</u> | <u>State Share</u> | <u>Total</u> |
|--|--------------------------|------------------------|----------------|
| Environmental Assessment | \$515,200 | \$84,800 | \$600,000 |
| Traffic Study | 214,600 | 35,400 | 250,000 |
| Hazardous Waste Testing | 429,200 | 70,800 | 500,000 |
| Archaeology Study | 214,600 | 35,400 | 250,000 |
| Soil Study | 301,000 | 49,000 | 350,000 |
| Preliminary Engineering | 2,447,000 | 403,000 | 2,850,000 |
| Project Management | <u>472,000</u> | <u>78,000</u> | <u>550,000</u> |
| Total Planning and Environmental Budget | \$4,593,600 | \$756,400 | \$5,350,000 |

According to Mr. Vitaly Troyan of DPW, the Department does not know when the State and Federal government will release the funds for use by the City. In order to begin the preliminary engineering and project management immediately, DPW is requesting interim financing in the amount of \$481,000 from the Mayor's Earthquake Emergency Relief Fund (Item 48). The Mayor's Earthquake Emergency Relief Fund will be reimbursed once the State and Federal funds are released to the City.

Comment:

1. According to Mr. Troyan, outside contractors would be retained to conduct the Environmental Assessment (\$600,000), Traffic Study (\$250,000), Hazardous Waste Testing (\$500,000), Archaeology Study (\$250,000), and Soil Study (\$350,000). Mr. Troyan reports that the Preliminary Engineering and Project Management would be provided by DPW staff. Mr. Troyan expects the consultants to be selected within three to four months. At that time, DPW will be able to provide the terms and conditions of the contracts, including hours, hourly rates, and contractor MBE/WBE/LBE status. Therefore, funding for the various consultant contracts should be reserved as follows pending the provision of the contractual details:

BOARD OF SUPERVISORS
BUDGET ANALYST

| | <u>Share</u> | <u>Federal Share</u> | <u>State Total</u> |
|-------------------------------|----------------|--------------------------|------------------------|
| Environmental Assessment | \$515,200 | \$84,800 | \$600,000 |
| Traffic Study | 214,600 | 35,400 | 250,000 |
| Hazardous Waste Testing | 429,200 | 70,800 | 500,000 |
| Archaeology Study | 214,600 | 35,400 | 250,000 |
| Soil Study | <u>301,000</u> | <u>49,000</u> | <u>350,000</u> |
| Total Recommended Reserves | \$1,674,600 | \$275,400 | \$1,950,000 |

Recommendation: Amend Item 46 (File 148-91-8) to reserve \$1,674,600 pending provision of contractual hours, hourly rates, and MBE/WBE/LBE status. Approve the proposed resolution as amended.

Amend Item 47 (File 148-91-9) to reserve \$275,400 pending the provision of contractual hours, hourly rates, and MBE/WBE/LBE status. Approve the proposed resolution as amended.

Approve Item 48 (File 270-91-4).

Item 49 - File 148-91-11

Department: Department of Public Works (DPW)

Item: Resolution authorizing the Director of Public Works to apply for new Federal grant funds.

Amount of Grant: \$38,760

Source of Grant: California Wildlife, Coastal, and Parkland Construction Bond Act of 1988 (Proposition 70)
President's America the Beautiful (ATB) Initiative

Grant Period: October 1, 1991 through December 31, 1991.

Project: Street Tree Reforestation

Description: The San Francisco Department of Public Works in conjunction with its Citizen Tree Advisory Board proposes to replace several hundred street trees that died as a result of last winter's killer frost. An educational brochure on proper tree care will also be distributed to residents where street trees are planted.

No. of Units: Approximately 1,000 trees.

Indirect Costs: None. The State Department of Forestry and Fire Protection has identified indirect costs as ineligible for grant participation.

Required Match: None.

Comments:

1. The DPW reports that it will submit a budget for the proposed grant when the DPW requests permission from the Board of Supervisors to accept and expend the proposed grant.
2. Mr. Melvin Baker of the DPW reports that the DPW has identified approximately 400 to 500 trees to be replanted in the following areas: Western Addition, Bernal Heights, Potrero, North Beach, and Visitation Valley. Mr. Baker indicates that the remaining 500 to 600 trees would be planted in tree spaces which are currently empty. The DPW has not yet identified where the remaining 500 to 600 trees would be planted.
3. Mr. Baker reports that the tree replacement work and maintenance would be performed by existing DPW personnel, and no additional funds would be required.

BOARD OF SUPERVISORS
BUDGET ANALYST

4. The State Department of Forestry and Fire Protection has been delegated the responsibility to administer the program within the State. However, both the California Wildlife, Coastal, and Parkland Conservation Bond Act of 1988 (Proposition 70) and the President's Initiative on America the Beautiful provide funds to the State for Urban Forestry Programs.

Recommendation: Approve the proposed resolution.

Item 50 - File 47-91-8

Department: Real Estate Department

Item: Resolution accepting bid of City Park in response to call for bids for lease of Union Square Parking Garage and awarding lease to City Park as the highest and best responsible bidder.

Description: On April 1, 1991, the Board of Supervisors approved legislation (File 47-91-31) authorizing the Director of Property to call for bids for a five-year lease of the Union Square Parking Garage, located at 333 Post Street, between Geary and Post Street and Powell and Stockton Streets. Accordingly, the Director of Property issued an Invitation for Bids to be received and opened by the Real Estate Department on May 14, 1991. In response to the Invitation for Bids, the Department received requests for bids from eleven companies of which eight met the minimum standards to bid. Of the eight companies that met the minimum standards, seven submitted bids. The Department advises that City Park was selected as the highest bidder based on the Company's bid to pay the City 79.746 percent of gross revenues after Parking Taxes or a monthly minimum of \$175,000, for rental of the parking facility. The bids submitted by the other six qualified bidders were as follows:

| <u>Company</u> | <u>Percent of Gross Revenue</u> |
|----------------------|-------------------------------------|
| System Parking | 77.02 |
| Sterling Parking | 76.51 |
| AMPCO | 76.06 |
| Five Star Parking | 75.818 |
| City Parking Company | 70.7 |
| Pansini | 70.123 |

Comments: 1. The current parking operator, System Parking, Inc., pays the City 74.05 percent of gross revenues or a monthly minimum of \$200,000. Estimated annual revenues to the City from System Parking Inc. will total approximately \$3,088,572 in 1990-91. It is estimated, based on current garage patronage, that City Park will pay the City approximately \$3,326,136 annually.

BOARD OF SUPERVISORS
BUDGET ANALYST

2. The Real Estate Department reports that the minimum monthly rental to be paid by City Park was reduced by \$25,000 from \$200,000 to \$175,000 because, City Park will be required to pay for capital improvements estimated to cost \$250,000, over the first year of the lease. These capital improvements would include restroom upgrades, ventilation system improvements, fire fighting system improvements, plumbing improvements, emergency lighting and power improvements, disabled access improvements and cosmetic painting.

3. The existing parking rates (City parking tax of 20% included), previously approved by the Board of Supervisors, will continue to be charged by City Park for vehicles parked in the Union Square Parking Garage. These rates are as follows:

| <u>Time</u> | <u>Parking Charge</u> |
|----------------------|-----------------------|
| Up to 1/2 hr. | \$0.75 |
| 1/2 hr. to 1 hr. | 2.00 |
| 1 hr. to 1 1/2 hrs. | 2.75 |
| 1 1/2 hrs. to 2 hrs. | 3.50 |
| 2 hrs. to 2 1/2 hrs. | 4.25 |
| 2 1/2 hrs. to 3 hrs. | 5.00 |
| 3 hrs. to 3 1/2 hrs. | 6.00 |
| 3 1/2 hrs. to 4 hrs. | 7.00 |
| 4 hrs. to 4 1/2 hrs. | 8.25 |
| 4 1/2 hrs. to 5 hrs. | 9.50 |
| 5 hrs. to 5 1/2 hrs. | 11.00 |
| 5 1/2 hrs. to 6 hrs. | 11.75 |
| 6 hrs. to 24 hrs. | 14.00 |

Recommendation: Approve the proposed resolution.

Item 51 - File 64-91-11

Departments: Real Estate Department for various departments as detailed below

Item: Resolution authorizing the extension of six existing leases naming the City as lessee, as follows:

(1) Department: Public Library

Location: 2434 San Bruno Avenue

Purpose of Lease: Portola Branch Library

Lessor: Adeline Gill, et.al.

No. of Sq. Ft. and Cost/Month: 1,735 sq. ft. @ \$0.60/sq. ft./mo. = \$1,041.60

Annual Cost: \$12,499.20

% Increase Over Prior Year: 5%

Utilities and Janitor Provided by Lessor: No

Term of Lease: July 1, 1991 to June 30, 1992

Right of Renewal: Yes

Source of Funds: General Fund - 1991-92 Library Budget

* * * * *

(2) Department: Public Library

Location: 45 Leland Avenue

Purpose of Lease: Visitation Valley Branch Library

Lessor: Kenneth Chung, et.al.

No. of Sq. Ft. and Cost/Month: 2,300 sq. ft. @ \$0.68/sq. ft./mo. = \$1,571.85

Annual Cost: \$18,862.20

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
June 5, 1991

% Increase Over
Prior Year: 5%

Utilities and Janitor
Provided by Lessor: No

Term of Lease: July 1, 1991 to June 30, 1992

Right of Renewal: Yes

Source of Funds: General Fund - 1991-92 Library Budget

* * * * *

(3) Department: Public Library

Location: 653 Chenery Street

Purpose of
Lease: Glen Park Branch Library

Lessor: Mr. & Mrs. Wilhelm A. Tietz

No. of Sq. Ft. and
Cost/Month: 1,500 sq. ft. @ \$0.82/sq. ft./mo. = \$1,228.50

Annual Cost: \$14,742

% Increase Over
Prior Year: 5%

Utilities and Janitor
Provided by Lessor: No

Term of Lease: July 1, 1991 to June 30, 1992

Right of Renewal: Yes

Source of Funds: General Fund - 1991-92 Library Budget

* * * * *

(4) Department: Juvenile Probation

Location: 25 Fourteenth Street

Purpose of
Lease: Youth Service Center

Lessor: Youth for Service

BOARD OF SUPERVISORS
BUDGET ANALYST

**No. of Sq. Ft. and
Cost/Month:** 2,677 sq. ft. @ \$0.51/sq. ft./mo. = \$1,374.50

Annual Cost: \$16,494

**% Increase Over
Prior Year:** 0.14%

Utilities and Janitor

Provided by Lessor: Lessor is responsible for water and scavenger services. The City pays for all electrical and their pro-rata share of heating (gas) charges.

Term of Lease: July 1, 1991 to June 30, 1992

Right of Renewal: Yes

Source of Funds: General Fund - 1991-92 Juvenile Probation Department Budget

(5) Department: Department of Agriculture

Location: 501 Army Street

**Purpose of
Lease:** Administrative Office Space

Lessor: San Francisco Port Commission

**No. of Sq. Ft. and
Cost/Month:** 2,275 sq. ft. @ \$0.72/sq. ft./mo. = \$1,630.65

Annual Cost: \$19,567.80

**% Increase Over
Prior Year:** 5%

Utilities and Janitor

Provided by Lessor: Lessor is responsible for heat, electrical and water services

Term of Lease: July 1, 1991 to June 30, 1992

Right of Renewal: Yes

Source of Funds: General Fund - 1991-92 Agriculture Budget

BOARD OF SUPERVISORS
BUDGET ANALYST

(6) Department: Recreation and Park

Location: 133 Golden Gate Avenue

Purpose of Lease: Recreation Center

Lessor: St. Boniface Neighborhood Center, Inc.

No. of Sq. Ft. and Cost/Month: 8,780 sq. ft. @ \$0.27/sq. ft./mo. = \$2,419

Annual Cost: \$29,028

% Increase Over Prior Year: 3%

Utilities and Janitor Provided by Lessor: Yes

Term of Lease: July 1, 1991 to June 30, 1992

Right of Renewal: Yes

Source of Funds: General Fund - 1991-92 Recreation and Park Department Budget

Comments:

1. The City has rented the space at 25 Fourteenth Street for the Juvenile Probation Department since November 8, 1989. However, the City did not take possession of the premise nor pay any rent because certain alterations were not performed. Ms. Claudine Venegas of the Real Estate Department reports that these alterations are expected to be completed during 1991-92 at which time the City will move in and take possession of the premises and begin paying rent.
2. The Real Estate Department reports that the proposed rents reflects fair market value.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 52 - File 64-91-12

Departments: Real Estate Department
Police Department

Item: Resolution authorizing a lease renewal of real property for the Police Department's Senior Escort-Outreach Program between Lin Yu Louie as lessor and the City as lessee.

Location: 948 Pacific Avenue

Purpose of Agreement: Chinatown District site office for the Police Department's Senior Escort-Outreach Program

Lessor: Lin Yu Louie

No. of Sq. Ft. and Cost/Month: 630 sq. ft. @ \$1.50/sq. ft./mo. = \$945

Annual Cost: \$11,340

% Increase Over Prior Year: 5%

Utilities and Janitor Provided by Lessor: Lessor pays for water. City pays for gas, electricity, janitorial and scavenger service. These utilities are included in the lease payments.

Term of Lease: Two-year lease from July 1, 1991 to June 30, 1993 with the right to extend the lease for three one-year periods.

Source of Funds: General Fund 1991-92 budget

Comments: 1. The rent for this lease is as follows:

| | <u>Monthly</u> | <u>Annual</u> |
|------------------------------|----------------|---------------|
| July 1, 1991 - June 30, 1992 | \$945 | \$11,340 |
| July 1, 1992 - June 30, 1993 | \$992 | \$11,904 |

If the City extends the lease for three one-year periods.

| | | |
|------------------------------|---------|----------|
| July 1, 1993 - June 30, 1994 | \$1,042 | \$12,504 |
| July 1, 1994 - June 30, 1995 | \$1,094 | \$13,128 |
| July 1, 1995 - June 30, 1996 | \$1,148 | \$13,776 |

2 As reflected above, the rent increase approximates five percent per year following fiscal year 1991-92.

BOARD OF SUPERVISORS
BUDGET ANALYST

3. At the end of the extended lease period, June 30, 1996, the lease would be on a month-to-month basis, with rent payable at one hundred and ten percent of the last monthly rent amount.

Recommendation: Approve the proposed resolution.

Item 53 - File 64-91-15

Department: Real Estate
Department of Parking and Traffic

Item: Resolution authorizing the extension of an existing lease at 1975-99 Bryant Street for the Traffic Engineering Division of the Department of Parking and Traffic.

Location: 1975-99 Bryant Street

Purpose of Lease: Traffic Sign Shop

Lessor: Jack and LaVonne Keeney

No. of Sq. Ft. and Cost per Month: 21,162 square feet @ \$.41 per sq. ft. or \$8,697 per month.

Annual Cost: \$104,364

% Increase Over 1990-91: Six percent

Utilities and Janitor Services Provided by Lessor: No

Term of Lease: July 1, 1991 through June 30, 1992

Right of Renewal: Yes

Source of Funds: Road Fund

Comments:

1. According to Mr. Steve Legnitto of the Real Estate Department, the proposed rental amount of \$.41 per square foot is in accordance with the fair market value of the property.
2. The Department has included the \$104,364 in its FY 1991-92 budget.

Recommendation: Approve the proposed resolution.

Item 54 - File 64-91-16

Department: Real Estate Department
Public Utilities Commission (PUC)
Municipal Railway (MUNI)

Item: Resolution authorizing the extension of an existing sublease at 3000 Third Street for the Municipal Railway (MUNI)

Location: 3000 Third Street

Purpose of Lease: To store and maintain MUNI buses.

Lessor: AVIS Rent-A-Car System

**No. of Sq. Ft. and
Cost per Month:** 76,087 square feet @ approximately \$0.156347 per sq. ft. or \$11,896 per month.

Annual Cost: \$142,752

**% Increase
Over 1990-91:** Four percent

**Utilities and Janitor
Services Provided by
Lessor:** No

Term of Lease: July 1, 1991 through June 30, 1992

Right of Renewal: Yes

Source of Funds: Municipal Railway Operating Fund

Description: The space is used for the storing and maintenance of Municipal Railway buses.

Comments: This space has been leased for seven years. This is a sublease with AVIS Rent-A-Car which leases this property from a private party.

Recommendation: Approve the proposed resolution.

Item 55 - File 272-91-4

Department: Real Estate Department
Department of Public Works (DPW)
Department of City Planning (DCP)

Item: Resolution authorizing the acceptance of deeds to two parcels of land required for the King Boulevard segment of the Embarcadero Surface Roadway Project.

Location: Parcels 7 and 8 between Fourth and Fifth Streets as identified on the Mission Bay Transportation Project Map (see attachment).

Value of Property: \$60.00 per sq. ft. x 67,037 sq. ft. = \$4,022,220

Purpose: The acceptance of the two parcels is required for the development of the King Boulevard Roadway segment of the Embarcadero Surface Roadway. Catellus Development Corporation is donating the two parcels which are required for the construction of the new roadway. The two parcels together total about 67,037 square feet. The donation of land is pursuant to the Mission Bay Transportation Projects Agreement currently under negotiation between the City and Catellus Development Corporation to contract the new roadway.

The construction of the King Boulevard Roadway is included with legislation approved by the Board of Supervisors for the development and implementation of the Waterfront Transportation Projects (Resolution No. 965-85).

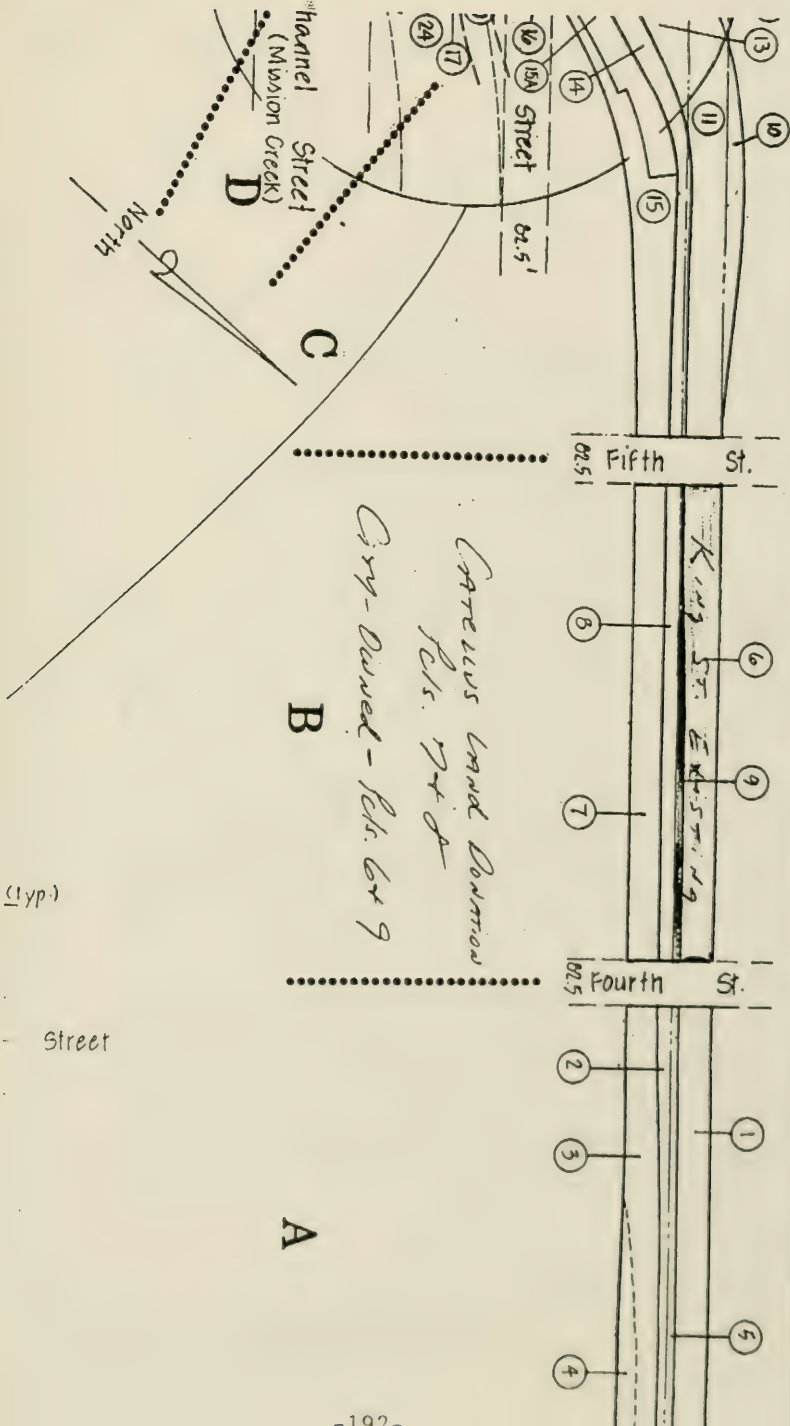
Comments:

1. On March 1, 1990, the City Planning Commission found the Waterfront Transportation Projects consistent with the City's Master Plan and with the eight Priority Policies of City Planning Code Section 101.1.
2. On December 10, 1990, the Board of Supervisors approved Resolution No. 972-90 which adopted and incorporated the findings set forth by the City Planning Commission regarding Master Plan consistency.
3. On February 12, 1991, the Federal Highway Administration determined that the Embarcadero Surface Roadway Project, including the King Boulevard segment, would not result in a significant impact to the environment and issued a finding of no significant impact in accordance with the National Environmental Policy Act.

BOARD OF SUPERVISORS
BUDGET ANALYST

4. According to Mr. Larry Ritter of the Real Estate Department, the value of the land to be transferred to the City would be used as a local share match to receive grant funds from the Federal Department of Transportation. Since the local match requirement is 15 percent in Federal highway projects, it is estimated that the donated parcels would generate approximately \$22,792,580 in Federal funds.

Recommendation: Approve the proposed resolution.



Item 56 - File 101-90-54

Note: This item was continued from the February 6, 1991 Finance Committee Meeting.

Department: Recorder's Office

Item: Supplemental Appropriation Ordinance which was the subject of a previous budgetary denial.

Amount: \$1,325

Source of Funds: General Fund - General Reserve

Description: The proposed Supplemental Appropriation Ordinance would appropriate \$1,325 for travel and training as follows:

| | |
|-------------------------------|------------|
| Travel | |
| Convention-San Luis Obispo | \$600 |
| New Law Workshop - Sacramento | 367 |
| Training | <u>358</u> |
| Total | \$1,325 |

The Recorder's Office is requesting the proposed supplemental appropriation in order to (1) reimburse the Recorder, a total of \$967, for his attendance at a Statewide Recorder's Convention held in San Luis Obispo (\$600) and a workshop held in Sacramento (\$367) and to fund training expenses (\$358).

The Recorder's Office reports that attending the Recorder's Convention was necessary in order to obtain information needed to standardize County Recorder practices and documentation among all California counties and to enhance fee collection. The training funds are requested to allow two Department staff to attend in-house computer training courses.

Comments: 1. On February 6, 1991, the Recorder's Office requested a total of \$1,801 of funds including the above \$1,325 of travel and training funds, as well as \$476 of membership dues. The Finance Committee and subsequently the Board of Supervisors approved only the \$476 for membership dues for the Recorder's Office. The \$1,325 balance was severed and continued by the Finance Committee, which is the subject of the current request.

BOARD OF SUPERVISORS
BUDGET ANALYST

2. As noted above, the proposed \$967 for travel would be used to reimburse the Recorder for a Statewide Recorder's Convention and a workshop, which he has already attended. As such, the proposed legislation should be amended to provide that the proposed supplemental appropriation be made retroactive for the requested travel of \$967.

3. The Budget Analyst believes, and the Recorder's Office acknowledges that the time required to process this proposed ordinance would result in insufficient time remaining in the current fiscal year to allow Department staff to attend the in-house computer training courses. As such the Budget Analyst recommends that the \$358 for training not be approved.

4. Since the proposed supplemental appropriation would restore funding to the Recorder's departmental budget, for travel and training which was the subject of previous budgetary denial by the Board of Supervisors, during the 1990-91 budget process, approval of this proposed legislation would require a two-thirds approval of the Board of Supervisors. As noted above, this item was previously considered by the Finance Committee on February 6, 1991.

Recommendations:

1. Reduce this request by \$358 from \$1,325 to \$967.

2. Amend the proposed legislation to provide that the \$967 travel request be made retroactively.

3. Approval of the proposed request for \$967 for travel is a policy matter for the Board of Supervisors. Since this was the subject of previous budgetary denial, a two-thirds vote of the members of the Board of Supervisors would be required for approval.

Item 57 - File 101-90-124

Department: Recreation and Park Department
City Attorney
Chief Administrative Officer
Controller

Item: Supplemental appropriation for various capital improvement projects

Amount: \$7,648,988

Source of Funds: 1987 Park Improvement Bond Fund

Description: The proposed ordinance would fund park rehabilitation projects through the 1987 Park Improvement Bond measure approved by the voters. Approximately \$12,000,000 in bonds have been sold since the first bond sale in August of 1988. Of the proposed supplemental appropriation, \$127,819 is from the \$12,000,000 bond funds sold during this first bond sale and \$1,521,169 is interest earned on these bond revenues. The remaining \$6 million would come from a bond sale planned for June, 1991. The Recreation and Park Department proposes to implement improvements at the following six park sites and to provide the following miscellaneous project services:

| <u>Project</u> | <u>Amount</u> |
|----------------|---------------|
|----------------|---------------|

Buena Vista Park

The Recreation Department intends to perform erosion control and urban forestry work as well as reconstructing the tennis courts.

| | | |
|-------------------------------|----------------|-----------|
| 2 FTE Gardeners for 25 Months | \$193,750 | |
| Contractual Services | <u>174,250</u> | |
| Subtotal | | \$368,000 |

Portsmouth Square

Improvements would be made to the entire Portsmouth Square in three phases. Phase I would complete the elevators and restrooms, Phase II would renovate the upper plaza and play area, and Phase III would renovate the lower plaza and community senior room.

| | | |
|--|------------------|-------------|
| DPW Design and Construction Management | \$400,000 | |
| Contractual Services | <u>2,054,000</u> | |
| Subtotal | | \$2,454,000 |

BOARD OF SUPERVISORS
BUDGET ANALYST

Lake Merced

Safety and rehabilitation work would be done to the multi-purpose trail, pedestrian bridge access and repair, and improvement of the parking areas east and west of the viaduct.

| | | |
|--|------------------|-------------|
| DPW Design and Construction Management | \$325,000 | |
| Contractual Services | <u>1,000,000</u> | |
| Subtotal | | \$1,325,000 |

John McLaren Park

The proposed project includes redesigning the reservoir for recreational use, trail improvements, rehabilitation of the amphitheater and restrooms. Design and construction of a park center may be deferred until additional interest earnings are available.

| | | |
|--|------------------|-------------|
| DPW Design and Construction Management | \$500,000 | |
| Contractual Services | <u>1,850,400</u> | |
| Subtotal | | \$2,350,400 |

Crocker Amazon

Funds would be used to augment funding for Phase II irrigation and lighting.

| | | |
|------------|----------------|-----------|
| Irrigation | \$170,000 | |
| Lighting | <u>170,000</u> | |
| Subtotal | | \$340,000 |

Kezar Stadium

While this project contract is completed, some bond interest earning funds would be used to settle claims and fund change orders that exceeded the original budget estimates.

\$706,988

Miscellaneous Project Services

| | | |
|------------------------------|---------------|-----------|
| Planner IV (3 years) | \$80,000 | |
| City Attorney | 12,500 | |
| Chief Administrative Officer | 1,500 | |
| Controller | <u>10,600</u> | |
| Subtotal | | \$104,600 |

| | | |
|-------|--|-------------|
| Total | | \$7,648,988 |
|-------|--|-------------|

Comment:

DPW has selected Munkdale Contractors to work on the irrigation at Crocker Amazon. Munkdale Contractors is not a MBE/WBE nor a LBE firm. Amorozo/Varrett, a joint venture, has been contracted to perform the work at Kezar Stadium. DPW has not yet selected contractors for the remaining projects. As such, the Budget Analyst recommends that the \$5,248,650 budgeted for contractual services, (\$174,250 for Buena Vista Park, \$2,054,000 for Portsmouth Square, 1,000,000 for Lake Merced, \$1,850,400 for John McLaren Park and \$170,000 for Crocker Amazon) be placed on reserve pending identification of the contractors, the contractors' budgets as well as the MBE/WBE status of the contractors.

Recommendation: Reserve the \$5,248,650 budgeted for contractual services pending identification of the firms, the firms' budgets as well as the MBE/WBE status of the contractors. Approve the proposed ordinance as amended.

Item 58 - File 100-90-1.17

Department: Registrar

Item: Release of Reserved Funds

Amount: \$4,600

Source of Funds: General Funds

Description: During the budget hearings for FY 1990-91, the Finance Committee recommended that \$4,600, in the Registrar's budget, to be used to purchase a microfilm camera, be placed on reserve pending the Department's research and development of a specific plan for organizing and retaining campaign filing statements and canceled registrations.

The Registrar reports that in response to recommendations of the Finance Committee, the Department had a series of meetings with vendors of microfilm equipment and services, along with other City departments that have extensive microfilm use. Mr. Gregory Ridenour, of the Registrar's Office, advises that based on the information acquired from these meetings, the Department has determined that the cost of a camera that would have adequately served the Department's needs, was considerably more than the \$4,600 originally budgeted. Additionally, there would be increased costs for personnel, training and supplies. As such, the Department has determined that it is not economically feasible, at this time, for the Department to perform the function of microfilming the campaign filing statements and canceled registrations.

However, according to Mr. Ridenour, the Department has determined that there is a great need for a microfilm reader/printer, that would allow the Department to print plain paper copies of microfilm and microfiche records (registration affidavits and campaign filing statements). Mr. Ridenour advises that copies of these records are frequently requested by the public (Department receives 10 to 15 inquiries a week) for a variety of purposes (i.e., legal, media, political campaigns). Currently, the Department either turns down such requests or uses a printer belonging to the Courts. According to Mr. Ridenour, the Department currently has one microfiche reader and one microfilm reader/printer which is inoperable and beyond repair. Mr. Ridenour advises that in addition to making copies of records available to the public, the proposed reader/printer would also be made available to the public to view filmed records. Currently, the public is unable to view microfilm.

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments:

1. Mr. Ridenour advises that the appropriate reader/printer for the Department that would accept all three film formats that the Department uses, will cost approximately \$5,500. Mr. Ridenour advises that the \$900 difference between the cost of the reader/printer and the \$4,600 on reserve, would be paid for by surplus funds in the Department's equipment account. The Department currently has a surplus of \$1,246 in its equipment account.

2. According to Ms. Germaine Wong if the Department is able to purchase the reader/printer, it would be able to charge the public a fee of \$5.00 per copy for copies of microfilm and microfiche records. Ms. Wong advises that the fee charged would be aimed at recovering the Department's costs for materials and supplies associated with providing copies of these records to the public. Ms. Wong estimates that based on a fee of \$5.00 and 10 to 15 requests per week, the Department could generate approximately \$2,600 to \$3,900 of additional revenue per year.

3. As noted above, the Registrar currently has a surplus of \$1,246 in its equipment account. Therefore, the Budget Analyst recommends that the entire \$1,246 in surplus funds be used towards the payment of the reader/printer, which would decrease the need for the amount of the reserved funds required by \$346 from \$4,600 to \$4,254. (\$4,254 of reserved funds plus \$1,246 of surplus funds equals the \$5,500 needed).

Recommendation: Release reserved funds in the amount of \$4,254.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 59 - File 97-91-33

1. The proposed ordinance would amend Chapter VIII of the San Francisco Administrative Code by amending Section 8.22 relating to fees charged by the Registrar of Voters.

2. The proposed ordinance would give the Registrar of Voters blanket authorization to assess fees without subsequent Board of Supervisors approval, equal to the estimated reasonable cost of providing such services. Fees assessed would be set out in a schedule of fees published by the Registrar of Voters which shall be available to the public upon request. Thirty days before adjusting fees, the Registrar of Voters will make copies of the proposed fees available to the public. Such fees will be posted in the Office of the Registrar of Voters and Main Branch of the Public Library. A copy of the proposed fees would also be provided to the Clerk of the Board of Supervisors for posting the proposed fees at an appropriate location available to the public. The proposed ordinance also eliminates language in the San Francisco Administrative Code that specifically provided for all existing fees, charged by the Registrar, previously approved by the Board of Supervisors.

Comments

1. Germaine Q. Wong of the Registrar of Voters Office reports this proposed ordinance would allow the City to charge for staff time to research, compile, produce and or copy information requested for fees equal to the estimated reasonable costs of providing such documents or services.

2. Ms. Wong further reports that the City receives many requests from collection agencies, attorneys, private investigators and others who want information about individuals who may be registered voters. The gathering of the information requested can take anywhere from ten minutes to five hours to research and produce. However, only a small fee for copying the document is assessed regardless of the length of time it takes to research and produce the data. Furthermore, computer enhancements to the registered voters database have made additional voter information available that had not been available in the past. Presently, the City does not assess fees for this newly available information.

3. An estimate of the increase in revenues that would result if this ordinance was adopted has not been provided by the Registrar of Voters.

Recommendation

Since approval of this proposed ordinance would subsequently authorize the Registrar to set fees at any rates sufficient to recover reasonable costs, without any further approval by the Board of Supervisors, disapprove the proposed ordinance.

Item 60 - File 152-91-2

Department: Adult Probation
Juvenile Probation
Sheriff

Item: Resolution authorizing the Sheriff's Department, Adult Probation Department and Juvenile Probation Department to apply for, accept and expend State subvention funds and stipulating adherence to standards and recruitment and training established by the Board of Corrections.

Amount: \$354,000

Grant Period: July 1, 1991 through June 30, 1992

Source of Funds: State of California Board of Corrections under Senate Bill (SB) 924.

Project: Standards and Training of Local Corrections and Probation Officers Program

Description: The proposed subvention would fund State mandated training for Corrections and Probation Officers in the Sheriff's, Adult Probation and Juvenile Probation Departments. The program is operated by the State Board of Corrections and provides funds to improve and standardize the skills of Deputy Sheriff jail staff and Probation Officers, from entry-level staff to department heads. SB 924 authorized the State Board of Corrections to establish minimum standards for the selection and training of Deputy Sheriff jail staff and Probation Officers and to certify the training courses to be taken by personnel participating in this program.

The proposed subvention would fund a total of 665 personnel during the FY 1991-92 Fiscal Year. Total training hours would be 31,395 and would range from 24 hours of training for update training for experienced personnel to 200 hours of training for new personnel. Training costs are paid by this subvention and no matching funds are required.

The major subject areas of training are listed below:

Deputy Sheriff Jail Staff

Psychological theory and diagnostic techniques
Security and supervision of minors and adults
Legal considerations
Laws of evidence

BOARD OF SUPERVISORS
BUDGET ANALYST

Emergency procedures (i.e. First Aid, CPR)
Supervision of special inmates

Line Probation Officers

Statutory, Case and Administrative Law
Laws relating to justice system procedures of Police, District
Attorney, Courts and Probation Services
Handling of victims and witnesses
Confidentiality and client rights
Community resources
Time and caseload management
Interviewing techniques
Report writing
Diagnostic and counseling techniques and cultural
awareness

Supervisory, Administrative Personnel

Managing personnel problems
Supervisory skills
Legal aspects of personnel supervision
Budgeting, accounting and fiscal management techniques
Stress management
Communication skills
Legal updates (cases, statutory, administrative law)
Applied management models
Information systems
Cost effectiveness analysis
Community relations

No. of Persons
Served:

Training for 665 personnel

Project
Budget:

| <u>Dept.</u> | <u>Staff</u> | <u>Hours</u> | <u>Tuition</u> | <u>Travel</u> | <u>Per Diem</u> | <u>Salary Replacement</u> | <u>Total</u> |
|-----------------------|--------------|---------------|----------------|---------------|---------------------|-------------------------------|----------------|
| Sheriff | 359 | 15,035 | \$45,000 | \$1,875 | \$11,500 | \$131,625 | \$190,000 |
| Adult Probation | 108 | 6,000 | 26,680 | 4,280 | 5,295 | 21,245 | 57,500 |
| Juvenile Probation | <u>198</u> | <u>10,360</u> | <u>46,875</u> | <u>16,250</u> | <u>16,275</u> | <u>27,100</u> | <u>106,500</u> |
| Grand Total | 665 | 31,395 | \$118,555 | \$22,405 | \$33,070 | \$179,970 | \$354,000 |

Indirect Costs:

None. The State Department of Corrections requires that all funds be used for direct training services.

BOARD OF SUPERVISORS
BUDGET ANALYST

Required Match: None

Comments:

1. According to Lt. Jan Dempsey of the Sheriff's Department, the Sheriff's Department applied for the proposed grant on April 15, 1991. Therefore, the proposed resolution should be amended to authorize the Adult Probation Department, Juvenile Probation Department and Sheriff's Department to apply for the proposed grant retroactively.

2. Lt. Dempsey reports that the costs of compliance with the proposed State mandated training would be fully reimbursed by the State Department of Corrections and no additional costs, other than the City's indirect costs, would be incurred by the City. As reflected in the above budget, the State would reimburse the City for travel, per diem, tuition, and salary replacement for the cost of replacing staff while in training.

3. Lt. Dempsey indicates that the amount budgeted for salary replacement for the Sheriff's Department is greater than the amount budgeted for the Adult Probation Department and the Juvenile Probation Department because the Sheriff's Department requires a greater amount of 24-hour coverage for its Deputy Sheriff's jail staff.

4. On May 20, 1991, the Board of Supervisors approved an ordinance (File 97-91-16.1) requiring that all grant resolutions include indirect costs or the reasons why the indirect costs or the reasons why the indirect costs cannot be included in the grant. Therefore, the proposed resolution should be amended to indicate that the State of California Board of Corrections prohibits indirect costs to be included in the proposed grant.

5. The proposed grant funds of \$354,000 is approximately 3.7 percent less than the FY 1990-91 grant award amount of \$367,500.

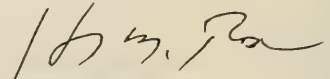
6. Attached is the "Summary of Grant Request" as completed by the Sheriff's Department.

Recommendations: 1. Amend the proposed resolution to authorize the Adult Probation Department, Juvenile Probation, and Sheriff's Department to apply for the proposed grant retroactively.

2. Amend the proposed resolution to specify that indirect costs were prohibited by the State of California Board of Corrections.

BOARD OF SUPERVISORS
BUDGET ANALYST

3. Approve the proposed resolution as amended.


Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Shelley
Supervisor Hallinan
President Ward
Supervisor Achtenberg
Supervisor Alioto
Supervisor Britt
Supervisor Hsieh
Supervisor Kennedy
Supervisor Maher
Supervisor Migden
Clerk of the Board
Legislative Policy Analysts
Chief Administrative Officer
Controller
Sam Yockey
Ted Lakey

Item No. _____

Summary of Grant Request

Rev. 4/10/90

Grantor Calif. Board of Corrections
 Contact Person Nathanial Reed
 Address 600 Bercut Drive
Sacramento, CA 95814
 Amount Requested \$ \$354,000.00
 Term: From 07-01-91 To 06-30-92
 Health Commission _____

Division S.F. Sheriff's Dept.
 Section Training
 Contact Person Lt. Veronica Keller
 Telephone (415) 553-9600
 Application Deadline 04-15-91
 Notification Expected _____
 Board of Supervisors: Finance Committee _____
 Full Board _____

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of \$354,000. from the period of 7-1-91 to 6-30-92 to provide training _____ services.

II. Summary: (Concise summary of project, including a brief description of the project and its purpose)

Funding provided through the California Board of Corrections to Probation and Corrections agencies to provide state-certified training. This will be the twelfth year of participation in the statewide training subvention.

III. Outcomes/Objectives:

To ensure compliance with Minimum Jail Standards and the Penal Code.
 To provide standardized entry level training and yearly updates for journey level, management level and administrative level staff.

IV. Effects of Reduction or Termination of These Funds:

Inability to comply with state mandated training.

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Year/Orig. | Col. C Proposed | Col. D Change | Req. Match | Approved by |
|------------------|-------------------------|---------------------------|--------------------|------------------|------------|-------------|
| Grant Amount | | | \$354,000.00 | | | |
| Personnel | | | N/A | | | |
| Equipment | | | N/A | | | |
| Contract Svc. | | | N/A | | | |
| Mat. & Supp. | | | N/A | | | |
| Facilities/Space | | | N/A | | | |
| Other | | | N/A | | | |
| Indirect Costs | | | N/A | | | |

VI. Data Processing

(none included above)

VII. Personnel

| F/T CSC | | N/A | |
|-------------|--|-----|--|
| P/T CSC | | N/A | |
| Contractual | | N/A | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

N/A

Will grant funded employees be retained after this grant terminates? If so, How?

N/A

*VIII. Contractual Services: Open Bid _____ Sole Source _____ (If sole source, attach Request for Quotation Form)

ATTN: Gerry Roth

submitted by the Civil Service Commission to the Board of Supervisors. Accordingly, the Civil Service Commission prepared and submitted one proposed amendment to Section 1.34 of the Administrative Provisions of the Annual Salary Ordinance. This amendment would have resulted in an increase in the maximum allowable rate of pay for part-time employees from the current rate of \$707 per month to \$747 per month, representing a \$40 increase per month, or 5.6 percent. This amendment was recommended by the General Manager Personnel based on the average increase granted to Miscellaneous employees as required by Section 8.300(a)(3) of the City's Charter. However, no increase has been included since Salary Standardization increases for Fiscal Year 1991-92 were not approved. Other administrative provisions of the Annual Salary Ordinance include fee schedules for various services. The proposed fee schedules for 1991-92, submitted by the Controller's Office, are attached (Attachment I).

Recommendations

Approve the Interim Annual Appropriation Ordinance and the Interim Annual Salary Ordinance, including the administrative provisions of the Annual Appropriation Ordinance as recommended by the Controller until the Annual Appropriation Ordinance and Annual Salary Ordinance are finally passed by the Board of Supervisors and signed by the Mayor with the following amendments:

- a. That all funding and authorization for new positions and related program costs be reserved during the interim budget period through July 31, subject to the specific exceptions listed in Attachment II.
- b. That funding for capital improvement projects except normal facilities maintenance projects and those capital improvements identified in Attachment III be reserved during the interim budget period.
- c. That funding for items of equipment be reserved during the interim budget period subject to the specific exceptions identified in Attachment IV. That all departments be requested not to lease any new equipment during the interim budget period through a letter to all Departments from the Clerk of the Board.
- d. That funding for all new and expanded programs be reserved.

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JUN 13 1991

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BOARD OF SUPERVISORS
BUDGET ANALYST



April 22, 1991

The Honorable Board of Supervisors
City and County of San Francisco
Room 235, City Hall
San Francisco, California 94102
ATTN: John L. Taylor
Clerk of the Board

Re: 1991-92 Annual Salary Ordinance

Dear Mr. Taylor:

Attached hereto are schedules of charges and deductions for maintenance under Section 1.3-C of the Annual Salary Ordinance commencing July 1, 1991.

We have included comparative summaries of meal, lodging and laundry costs furnished to employees. Costs were compiled from Departmental data on rates as established in the 1990-91 Annual Salary Ordinance.

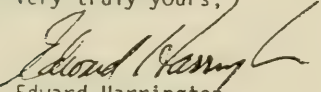
The recommended rates represent the projected amount necessary to recover the cost of meals and services provided to employees by the City and County of San Francisco based on actual costs of food stuffs, labor and overhead incurred by the respective departments in the prior fiscal year and projections for the coming year, 1991-92.

A summary of rates recommended for change includes:

O'Shaughnessy Guest Cottage - decrease meal costs \$1 per day
Hetch Hetchy Boarding House - increase meal costs \$1 per day
Juvenile Court - increase meal costs \$1.60 per meal
S.F. General Hospital - increase meal costs 35¢ to 40¢ per meal
Laguna Honda Hospital - decrease meal costs 20¢ to 30¢ per meal
Camp Mather - increase meal costs 55¢ per meal
Sheriff - decrease meal costs 5¢ per meal

Your approval of these rates is recommended.

Very truly yours,


Edward Harrington
Controller

BY:ac(85GEN37-41)

**BOARD OF SUPERVISORS****BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

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JUN 18 1991

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June 17, 1991

TO: Finance Committee
FROM: Budget Analyst
SUBJECT: Mayor's Recommended 1991-92 Budget

At the direction of the Finance Committee, the Budget Analyst has conducted an indepth review and has prepared recommendations for reducing the Mayor's recommended 1991-92 budget. Additionally, we have prepared, at the direction of the Finance Committee, various policy options for the Committee's consideration.

The following highlights some of the data contained in the Mayor's recommended 1991-92 budget:

1. The Mayor's recommended 1991-92 total budget of \$2,401,915,135 is \$113,287,323 or approximately 5 percent greater than the 1990-91 budget of \$2,288,627,812 as finally approved in the 1990-91 Annual Appropriation Ordinance. Except for Nurses and pay equity adjustments, the Mayor has not provided for Salary Standardization increases in his recommended 1991-92 budget. Had such salary increases been provided, the 1991-92 budget would have increased by an estimated \$189.1 million or approximately 8.3 percent more than the 1990-91 budget as finally approved in the Annual Appropriation Ordinance.

2. The Mayor's recommended 1991-92 General Fund budget of \$1,307,077,440 is \$16,498,725 greater than the 1990-91 General Fund budget of \$1,290,578,715, representing an increase of approximately 1.3 percent.

3. The Mayor's recommended 1991-92 budget includes 24,781 full-time authorized positions or 367 less positions, including a net decrease of 333 General Fund and General Fund-supported positions, than the 25,148 positions contained in the original 1990-91 budget approved by the Mayor and the Board of Supervisors. When comparing the Mayor's recommended 1991-92 budget to the 1990-91 revised budget, the total number of positions has decreased by 373, including 339 less General Fund and General Fund-Supported Funds positions.

4. The Mayor's recommended 1991-92 budget contains a General Fund Reserve of \$10,000,000. In addition, the City has an Emergency Reserve Fund balance of \$4,862,322 carried forward from 1990-91 into 1991-92.

5. Based on our review and analysis, the Mayor's recommended 1991-92 budget includes the following estimated underbudgeted expenditures:

| | Amount underfunded <u>in millions</u> |
|--|--|
| Police Department - | |
| Overtime, Extended Work Week, Workers | |
| Compensation, Hibernia Station operating costs | \$4.6 |
| Department of Social Services - | |
| General Assistance, AFDC (County cost) | \$3.0 to \$5.0 |
| General Fund Judgements and Claims | \$1.2 |
| Workers Compensation - Departments other than Police | <u>\$1.1</u> |
| Estimated Underbudgeted Expenditures | \$9.9 to \$11.9 |

An increase in the General Fund Cash Reserve Fund (working capital monies) of \$4.7 million is required by the Charter. This increase is not included in the Mayor's recommended 1991-92 budget. Instead, the Mayor has proposed that any such increase should be funded from available closeouts at the end of the 1990-91 fiscal year.

6. Unknown cost increases could result from collective bargaining settlements with various City employee groups. While no cost estimates are available at this time, such costs may include expenditures for arbitration proceedings with the Police and Fire bargaining units and the potential cost of any arbitration awards. Other costs may yet be identified as offsets to savings resulting from the wage freeze for miscellaneous employees and Muni Operators. Such potential expenses are not included in the Mayor's recommended 1991-92 budget at this time.

7. It should be noted that the Mayor's recommended 1991-92 budget is balanced based on the assumption that the Board of Supervisors will approve the following revenue measures:

| <u>Revenue Measures</u> | <u>Revenues Contained in 1991-92 Budget</u> |
|--|---|
| Imposition of an additional 5 percent Parking Tax Surcharge along with the continuation of the existing 15% Parking Tax and 5 percent Parking Tax Surcharge (based on an effective date of 8/1/91) | \$5.5 million |
| MUNI Fast Pass Increase from \$28 to \$32 (based on an effective date of 8/1/91) | <u>\$4 million</u> |
| Total | \$9.5 million |

The proposed 5 percent additional Parking Tax Surcharge represents an overall 25 percent increase in the Parking Tax rate from a rate of 20 percent to a rate of 25 percent. In 1980, the voters approved a 10 percent surcharge (Proposition R) in addition to the 15 percent Parking Tax rate, thereby increasing the effective Parking Tax rate from 15 percent to 25 percent of parking fees charged. After approval of this increase by the voters in June 1980, the Board of Supervisors approved five six-month deferrals and one three-year deferral of the implementation of the 10 percent Surcharge. In December of 1985, the Board of Supervisors lifted the deferral on 5 percent of the deferred 10 percent Surcharge, effective March 1, 1986, thereby effecting a 20 percent total Parking Tax, and continued to defer the remaining 5 percent of the 10 percent Surcharge. Therefore, the total effective Parking Tax rate continues to be 20 percent (15 percent Parking Tax plus 5 percent Parking Tax Surcharge).

Two-thirds of the present 15% Parking Tax is allocated to the General Fund and one third of the 15% Parking Tax is allocated to the Senior Citizens Program Fund. Proposition R required that the revenue from the additional 10% Parking Tax Surcharge be deposited entirely in the City's General Fund. Therefore the proposed, additional 5% surcharge, if approved by the Board of Supervisors, would be allocated entirely to the General Fund.

8. The Recreation and Park Commission has increased golf fees which are not subject to separate legislative approval by the Board of Supervisors. The Public Library has also increased fees. Increased fees that will require Board approval but are already included in the 1991-92 Mayor's recommended budget, are budgeted as departmental revenues in the Police Department, Arts Commission, Registrar of Voters and the Public Health Department, Bureau of Environmental Health.

BOARD OF SUPERVISORS
BUDGET ANALYST

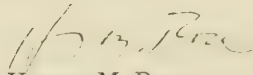
9. The reductions recommended by the Budget Analyst to the Mayor's proposed budget for items such as contractual services, travel, use of employees' cars and materials and supplies are based on a review of existing expenditure levels and requested new items. While our recommendations result in reductions or "savings" for various departmental items, these savings are from the Mayor's recommended funding levels. In fact, in numerous instances, our recommendations actually provide for increased funds to the departments in 1991-92. In other words, our recommendations, while representing reductions to the Mayor's budget, in many instances provide for increased amounts in 1991-92 to the departments over their 1990-91 budgetary levels. In those instances where a department has historically underexpended its budget in certain accounts, we have recommended a reduction based on current expenditure levels plus an inflation factor, in general, of five percent. However we have provided for higher inflation rates in specific instances when higher rates are justified, such as for postage and pharmaceuticals for example. Our recommendations for fuel and other selected items are based on actual Purchaser's contracts and estimates of increased contract prices which may occur in these contracts during fiscal year 1991-92.

10. The savings resulting from all of the recommendations of the Budget Analyst which may be accepted by the Board of Supervisors are returned to the City's General Fund and other special funds, depending on the funding source of the budgeted expenditure. These savings may either remain in the City's reserves or be expended for other needed purposes, subject to subsequent appropriation approval by the Mayor and the Board of Supervisors.

11. The results of the Budget Analyst's review are detailed in three separate reports to the Finance Committee. Each report contains the recommendations of the Budget Analyst, along with explanations supporting those recommendations. These reports are as follows:

- General Administration and Finance and Public Protection (June 18, 1991, 1:30 p.m.)
- Culture and Recreation and Public Works, Transportation and Commerce (June 19, 1991, 1:30 p.m.)

- Human Welfare, Community Health and Capital Projects, (June 20, 1991,
1:30 p.m.)



Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Shelley
Supervisor Hallinan
President Ward
Supervisor Achtenberg
Supervisor Alioto
Supervisor Britt
Supervisor Hsieh
Supervisor Kennedy
Supervisor Maher
Supervisor Migden
Clerk of the Board
Legislative Policy Analysts
Chief Administrative Officer
Controller
Sam Yockey
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

C A L E N D A R
SPECIAL MEETING OF
FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, JUNE 18, 1991 - 1:30 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN

CLERK: JONI BLANCHARD

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

1. File 101-90-108. [Government Funding] Ordinance appropriating \$9,472, Police Department, for equipment purchase (laboratory equipment). RO #90286. (Controller)

(Consideration continued from 6/12/91)

ACTION:

2. File 101-90-116. [Government Funding] Ordinance appropriating \$202,284, Police Department, for equipment purchase and services of miscellaneous departments-Medical Examiner. RO #90290. (Controller)

(Consideration continued from 6/12/91)

ACTION:

3. File 101-90-117. [Government Funding] Ordinance appropriating \$1,966,979, Police Department, for various purposes. RO #90293. (Controller)

(Consideration continued from 6/12/91)

ACTION:

4. File 101-89-149.3. [Release of Funds] Requesting release of reserved funds in the amount of \$837,500, for the construction phase of the Emergency Coordination Center Modules Project. (Supervisor Gonzalez on behalf of the Department of Public Works)

ACTION:

SF
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C A L E N D A R
SPECIAL MEETING OF
FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, JUNE 19, 1991 - 1:30 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN

CLERK: JONI BLANCHARD

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

1. File 173-91-3. Hearing to consider the results of the Port of San Francisco's strategic plan process and recommendations including proposed raises and layoffs of fourteen employees. (Supervisor Gonzalez)

ACTION:

DOCUMENTS DEPT.

JUN 17 1991

SAN FRANCISCO
PUBLIC LIBRARY

FINANCE COMMITTEE
Board of Supervisors
City and County of San Francisco
Room 235, City Hall
San Francisco, CA 94102

IMPORTANT HEARING NOTICE

**BOARD OF SUPERVISORS****BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

June 17, 1991

DOCUMENTS DEPT.

JUN 19 1991

SAN FRANCISCO
PUBLIC LIBRARY

TO: Finance Committee
FROM: Budget Analyst - Recommendations
SUBJECT: June 18, 1991 Special Finance Committee Meeting

Item 1 - File 101-90-108

Note: This item was continued by the Finance Committee at its meeting of June 12, 1991.

Department: Police Department

Item: Supplemental appropriation ordinance for the purchase of equipment.

Amount: \$9,472

Source of Funds: Criminalistics Laboratory Fund

Description: The Criminalistics Laboratory Fund consists of fines imposed on individuals convicted of controlled substance abuse offenses. State law authorizes local governments to use these revenues for purposes related to drug test analysis. The proposed ordinance would appropriate funds from this fund to purchase three pieces of laboratory equipment to be used by the Crime Laboratory to conduct drug test analysis. The Police Department's Crime Laboratory performs the analysis of all narcotics seized by the Police Department. The Crime Laboratory does not presently own the proposed equipment which, according to the Police Department, is necessary to perform faster and more efficient analysis of evidence in narcotics cases. The following lists the laboratory equipment and their prices:

| | |
|--|------------|
| Thermal Cycling Oven (programmed oven that controls the temperature precisely) | \$7,200 |
| Lab Line Shaker Water bath (shakes elements at a constant rate) | 2,000 |
| Vortex Mixer (vibrates samples quickly to homogenize the mixtures) | <u>272</u> |
| Total | \$9,472 |

Comment: The Criminalistics Laboratory Fund currently contains \$9,472 which is the amount of the proposed supplemental appropriation. Sergeant Tom Strong reports that the City must spend all of the monies in the Laboratory Fund before the end of the fiscal year, or the monies will return to the State. As such, the Police Department is requesting the full amount in the Criminalistics Laboratory Fund.

Recommendation: Approve the proposed ordinance.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 2 - File 101-90-116

Note: This item was continued from the June 12, 1991 Finance Committee Meeting.

Department: Police Department
Medical Examiner/Coroner

Item: Supplemental appropriation ordinance to fund one Assistant Toxicologist for the Medical Examiner/Coroner and for equipment

Amount: \$202,284

Source of Funds: Senate Bill (SB) 1127 Laboratory Cost Fund

Description: Section 1463.14 of the State Penal Code requires a \$50 fine be imposed on persons convicted of driving under the influence. This \$50 fine is deposited in a special Laboratory Cost Fund to be used exclusively to pay for the cost of performing for the county or a city within a county, analysis of blood, breath or urine for alcohol content or the presence of drugs, or for services related to such analysis. The Police Department is requesting \$202,284 from this special account for the following purposes:

1. To continue to pay the salary, benefits and related material costs for one Assistant Toxicologist position in the Coroner's Office. This Assistant Toxicologist performs drug test analysis, particularly tests related to driving-under-the-influence on behalf of the Police Department.
2. To purchase and install one large capacity freezer that is used to hold serological evidence in the Police Department's Property Control Section. In addition, the Department reports that extensive modifications must be made in the Property Control Section to accommodate the proposed freezer.
3. To purchase a mobile Drinking Under the Influence (DUI) field testing unit, equipped with an intoxilizer. The proposed DUI unit would enable the Police Department to conduct regularly scheduled sobriety checkpoints on dates which have historically produced a high number of DUI offenses such as New Year's Eve and long holiday weekends. In addition, the DUI unit would be used in areas which have traditionally had DUI activity.
4. To purchase equipment for the Crime Laboratory to perform chemical tests.

BOARD OF SUPERVISORS
BUDGET ANALYST

| | | | |
|----------------|--|------------|-----------|
| Budget: | Assistant Toxicologist | \$62,809 | |
| | Freezer | 50,375 | |
| | Mobile DUI Testing Unit | 63,950 | |
| | Intoxilizer Equipment | 9,950 | |
| | Laboratory Equipment: | | |
| | Centrifuge | 5,800 | |
| | Labconco Fume Hood (Device that draws harmful vapors away) | 8,000 | |
| | Fotodyne Transilluminator (Illuminates slides to help identify substances) | 900 | |
| | Eppendorf Pipets (instruments that measure liquid accurately) | <u>500</u> | |
| | Total | | \$202,284 |

- Comment:**
1. According to the Police Department, the Assistant Toxicologist is currently being paid from a General Fund work order to the Medical Examiner/Coroner. The proposed supplemental would transfer the source of funding for the Assistant Toxicologist to the SB 1127 Laboratory Cost Fund beginning in FY 1991-92 for a savings to the General Fund.
 2. The SB 1127 Laboratory Cost Fund currently contains \$202,284 which is the amount of the proposed supplemental appropriation. Sergeant Tom Strong of the Police Department reports that the City must spend all of the Laboratory Cost Fund before the end of the fiscal year or the monies will return to the State. Sgt. Strong advises that the actual price for the freezer is approximately \$10,000 to \$20,000 more than the price quoted above. The difference is the cost for additional shelves. Sgt. Strong reports that the Police Department will request the additional \$10,000 to \$20,000 next fiscal year in another supplemental appropriation using the SB Laboratory Cost Fund.

Recommendation: Approve the proposed ordinance.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 3 - File 101-90-117

Note: This item was continued from the June 12, 1991 Finance Committee Meeting.

Department: Police Department

Item: Ordinance appropriating funds to the Police Department for various purposes.

Amount: \$1,966,979

Source of Funds: Federal Narcotics Forfeitures and Seizures Fund

Description: As recommended by the Police Commission and the Executive Committee of the Mayor's Criminal Justice Council, the proposed supplemental appropriation ordinance would allocate \$1,966,979 from the Narcotics Forfeiture and Asset Seizure Fund for 1991-92. The Police Department proposes the following expenditure budget:

Investigations Division:

Upgrade of Automated Fingerprint Identification System (AFIS) computer system for identifying and comparing fingerprints \$90,000

Funds would provide for the first year of a four-year lease upgrade of the system, which would allow the computer system to be compatible with the State system.

AFIS Maintenance contract 137,000

Amount would pay for on-going maintenance contract for the AFIS upgrade.

Silver recovery hazardous materials recovery system 7,700

Amount would provide for purchase of system that recovers silver from the hazardous liquids used in the Photo laboratory.

Safety Supplies 2,140

Amount would provide for purchase of face mask with communications equipment for the Department's underwater recovery unit.

Subtotal Investigations Division \$236,840

BOARD OF SUPERVISORS
BUDGET ANALYST

Enforcement Division:

| | |
|---|-----------|
| Overtime - Uniform | \$450,000 |
| Funds for overtime would be used by the Narcotics Unit. The amount requested provides for 13,427 hours of overtime allocated to one Captain, two Lieutenants, 24 Inspectors/Sergeants, and 90 Officers. The Police Department expects to use 6,715 hours for court prosecution, 3,356 hours for physical arrests, and 3,356 hours for investigations. | |
| Electricity, Heat and Water | 48,000 |
| Projected utilities cost of Narcotics Unit Offices. | |
| Telephone | 35,050 |
| Funds provide for telephone service for Narcotics Unit Offices (\$10,000), pager rental (\$2,250), purchase of 20 cellular phones and monthly service(\$21,000), and FAX machine lease (\$1,800) | |
| Copy machine rental | 7,500 |
| Other Contractual Services | 5,000 |
| Maintenance contract for alarm system of Narcotics Unit Office | |
| Rental of Property | 9,600 |
| Rental cost of Narcotics Office at 1815 Egbert Street at \$800 per month. | |
| Materials and Supplies | 6,800 |
| Supplies include 400 rolls of film, video tape, four binoculars, eight tape recorders, batteries, and narcotic test kits. | |
| Communication equipment | 7,850 |
| Funds would provide for purchase of communications base station, which is used for under-cover transmitting and receiving of taped conversations. | |

BOARD OF SUPERVISORS
BUDGET ANALYST

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| Data Processing equipment | \$5,000 |
| Controller unit for existing computer terminals. | |
| Other equipment Lease/Purchase | 48,000 |
| Funds would provide for purchase of 800 Mhz radio system to be used in narcotics investigations. Existing 450 Mhz radios would be redistributed to other Divisions. | |
| Services of other Departments - Electricity | 15,000 |
| Funds provide for maintenance of Narcotics Division radios by Department of Electricity. | |
| Automotive Maintenance, Central Shops | 90,000 |
| Funds would be used for maintenance of 40 Narcotics Division vehicles at \$2,250 per year. | |
| Building Maintenance | 36,000 |
| Subtotal, Enforcement Division | \$763,800 |
| Miscellaneous Services of other Departments - District Attorney | |
| The District Attorney presently has one Principal Attorney and one Assistant Investigator funded through the Narcotics Forfeiture and Asset Seizure Fund to prosecute asset forfeiture investigations. The Police Department proposes to fund two additional positions (one Principal Attorney and 1 Head Attorney) to obtain search and arrest warrants for night operations and for increased legal assistance on narcotics cases | |
| 2 Principal Attorneys | \$182,328 |
| 1 Head Attorney | 100,503 |
| Assistant Investigator | 35,440 |
| Mandatory Fringe Benefits | 78,708 |
| Subtotal District Attorney Services | 396,979 |

BOARD OF SUPERVISORS
BUDGET ANALYST

Other Projects

| | |
|--|----------|
| Witness Relocation Program Funds provide for relocation of witnesses of narcotics related crimes. | \$40,000 |
| U.S. Navy Lease-Rental of Property Leased property is used for storage of vehicles seized during drug investigations. | 14,400 |
| SAFE Anti-Drug Program Funding would provide for one additional position for Safety Awareness for Everyone Program to work on the formation of Neighborhood Watch groups in conjunction with the Community Police Officer Patrol Program. | 30,000 |
| Police Activities League (PAL) Program- Oceanview Playground Funding would enable continuation of program which places Police Officers at the Playground in connection with PAL recreation activities programs to provide a deterrent to drug dealing at the playground, primarily drug traffic- related and to participate in the PAL recreation activities. | 36,000 |
| Substance Abuse Program Funds provide for parent workshop coordinator, parent workshop administration, and 24 part-time officers. | 174,960 |
| Boedekker Park Program Funds would provide for overtime funding to maintain antidrug patrols in the park. | 66,000 |

BOARD OF SUPERVISORS
BUDGET ANALYST

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|---|--------------------|
| PAL-Boxing Program | \$22,000 |
| Funding would continue a program that enables San Francisco Police Officers to teach boxing, related athletic training skills and provide counseling to a minimum of 60 youth, between nine and fourteen years of age, who are at risk of involvement in drug or gang activities. | |
| Middle School Law Enforcement | 119,000 |
| Funding provides for officer visits to 16 middle schools. Costs are shared with the San Francisco Unified School District. | |
| PAL-Garfield Park Program | 67,000 |
| Funds would provide for overtime funding to maintain antidrug patrols in the park. | |
| Subtotal other projects | <u>\$569,360</u> |
| Total Allocation | <u>\$1,966,979</u> |

Comment:

1. As of June 6, 1991, the Narcotics Forfeiture and Asset Seizure Fund had an uncommitted balance of \$2,012,700.
2. As mentioned above, the Police Commission and the Executive Committee of the Mayor's Criminal Justice Council have recommended the proposed items for 1991-92.
3. As noted above, the Police Department is requesting increased funding for the District Attorney to pay for two additional positions, a Principal Attorney and a Head Attorney.

Recommendation: Approve the proposed ordinance.

Item 4 - File 101-89-149.3

Department: Fire Department

Item: Release of Reserve for the construction phase of the Emergency Coordination Center Modules Project.

Amount: \$837,500

Source of Funds: Interest earned on 1986 Fire Protection Bond (Proposition A) funds

Description: The Board of Supervisors reserved \$785,500 (File 101-89-149.1) for the construction phase of the Emergency Coordination Center Modules Project at the March 27, 1991 meeting pending the receipt of construction bids. The Board of Supervisors approved an appropriation of \$52,000 (File 101-89-149.1) for Construction Management services by DPW personnel. The Board of Supervisors also approved an appropriation of \$75,000 (File 101-89-149.2) for related design fees. Therefore, the total estimate for the design fees and construction phase is \$912,500.

The Department of Public Works (DPW) finalized bidding on April 10, 1991, and awarded the contract to Coastal Construction, Inc., (an LBE/MBE company).

In November, 1986, City voters approved the issuance of Fire Protection System Improvement Bonds (Proposition A). Funds from the bond sale in the amount of \$46,200,000 are to be used for the improvement of the City's fire protection system, including the construction of a high pressure water system and a new Emergency Operation Center.

According to the original plan for construction of the new Emergency Operation Center (EOC), the new facility would be completed by the year 2000. However, the October 17, 1989, earthquake demonstrated that the existing EOC is inadequate and that a larger, better equipped Emergency Command Center (ECC) is needed immediately for temporary use until construction of the new Center is completed. The Board of Supervisors approved the Final Negative Declaration (File 101-89-149.1) for locating the ECC on Fire Department property at 1003 Turk Street adjacent to the Department of Recreation and Park property.

The proposed modular Emergency Command Center's purchase and installation costs would be funded from interest earned on the proceeds of the first Proposition A bond issuance that the City Treasurer invested.

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments:

1. Although the DPW is requesting a release of reserve of \$837,500, as previously noted, a total of only \$785,500 is on reserve. The DPW has already been appropriated the \$52,000 difference (\$837,500 less \$785,500) (File 101-89-149.1) for DPW personnel costs. Therefore, the proposed release of reserve is for \$785,500 which is \$52,000 less than \$837,500.

2. The DPW reports that the contract award for Coastal Construction, Inc. will be for \$798,960, which is \$13,460 more than \$785,500 which was reserved by the Board of Supervisors. According to Ms. Marilyn Thompson of the DPW's Bureau of Architecture, the \$52,000 budgeted for DPW personnel to perform administrative services would be reduced by \$13,460 to \$38,540 in order to fund a portion of the construction contract. Ms. Thompson indicates that the \$798,960 bid is the base bid which does not include costs for landscaping, canopy, emergency generator, field lights and built-in work tables.

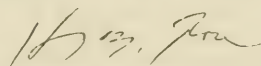
3. Ms. Thompson reports that the DPW has revised its estimate for total construction costs to \$1,146,818. As previously noted, the DPW has already been appropriated \$912,500 for the design fees and construction costs of the project. The DPW reports that it anticipates requesting an appropriation for the additional needed \$234,318 from the interest earned on the 1986 Fire Protection Bond (Proposition A) funds in order to fund the remaining project costs to accomplish the additional costs listed above, and for associated construction management costs.

4. Ms. Thompson also reports that the DPW originally estimated the construction contract for \$715,000, but the cost for telecommunications in the amount of \$133,000 was not included in the \$715,000 estimate. The low bidder rescinded their bid. Coastal Construction was the next lowest bidder, given the Human Rights Commission's preference points allocated for City-certified LBE/MBE firms.

5. Ms. Thompson indicates that construction is anticipated to be completed by October, 1991.

Memo to Finance Committee
June 18, 1991

Recommendation: Release the reserved funds in the amount of \$785,500.


Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Shelley
Supervisor Hallinan
President Ward
Supervisor Achtenberg
Supervisor Alioto
Supervisor Britt
Supervisor Hsieh
Supervisor Kennedy
Supervisor Maher
Supervisor Migden
Clerk of the Board
Legislative Policy Analysts
Chief Administrative Officer
Controller
Sam Yockey
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

C A L E N D A R
SPECIAL MEETING OF
FINANCE COMMITTEE
BOARD OF SUPERVISORS
 CITY AND COUNTY OF SAN FRANCISCO

THURSDAY, JUNE 20, 1991 - 1:30 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN

CLERK: JONI BLANCHARD

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

1. File 101-90-69.1. [Release of Funds] Requesting release of reserved funds, Department of Public Works, in the amount of \$1,060,775 for the construction of the Mission Street Pavement Renovation Project. (Department of Public Works)

(Consideration continued from 6/12/91)

ACTION:

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JUN 21 1991

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 PUBLIC LIBRARY

Finance Committee
Board of Supervisors
City Hall, Room 235
San Francisco, CA 94102

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**BOARD OF SUPERVISORS****BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

June 18, 1991

TO: Finance Committee**FROM:** Budget Analyst - *Reserve Fund***SUBJECT:** June 20, 1991 Special Finance Committee Meeting

DOCUMENTS DEPT.

JUN 21 1991

SAN FRANCISCO
PUBLIC LIBRARYItem 1 - File 101-90-69.1**Note:** This item was continued from the Finance Committee's meeting of June 12, 1991.**Department:** Department of Public Works (DPW)**Item:** Request for release of reserved funds, Department of Public Works, in the amount of \$1,060,775, for the construction of the Mission Street Pavement Renovation Project.**Amount:** \$1,060,775**Source of Funds:** 1987 Street Improvement Bond funds**Description:** In March of 1991, the Board of Supervisors approved a supplemental appropriation request in the amount of \$2,328,354 for three pavement renovation projects. Of the total, the Finance Committee reserved \$1,060,775 for the Mission Street Pavement Renovation Project pending the provision of the contract bid amount, and MBE/WBE/LBE status of the contractor. The Department is now requesting the release of reserves in the amount of \$1,060,775 for the construction of the Mission Street Pavement Renovation Project.

Mr. Joe Ovadia of DPW advises that DPW received the following bids

| | |
|---|--------------|
| Ghilotti Brothers, Inc. (LBE) | \$943,060.25 |
| Bay Cities Paving and Grading, Inc. | 943,741.76 |
| Inter-Coastal, Joint Venture (LBE, MBE) | 987,242.34 |
| Stacey & Witbeck, Inc. | |
| Construction Co., Inc., West Bay | |
| Equipment, Joint Venture | 1,226,864.00 |

Comment:

1. Mr. Ovadia advises that because Inter-Coastal, Joint Venture, is an MBE, Inter-Coastal would receive a 10 percent bid preference, which would make Inter-Coastal the apparent low bidder. However, Mr. Ovadia reports that Ghilotti Brothers, Inc. has filed a protest with the Human Rights Commission regarding the MBE status of Inter-Coastal. The Human Rights Commission will present its findings at the Finance Committee of June 19, 1991.

2. Mr. Ovadia further reports that DPW has divided the pavement renovation project into two phases. Construction of the first phase of the project will begin in mid-July and is scheduled for completion in mid-August. DPW expects to begin the second phase in January of 1992.

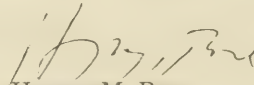
3. If Inter-Coastal, the apparent low bidder is selected as the contractor, the project budget would be as follows:

| | |
|--------------------------------|------------------|
| Construction | \$987,242 |
| Construction Contingency (10%) | 98,724 |
| Construction Management (10%) | <u>98,724</u> |
| Total estimated project budget | \$1,184,690 |
| Requested release of reserve | <u>1,060,775</u> |
| Amount not covered by reserve | \$123,915 |

According to DPW, the total project budget is estimated to be \$123,915 more than the amount requested for release from reserve. Mr. Ovadia advises that DPW plans to use previously appropriated, unspent 1987 Street Improvement Bond funds to cover the remaining \$123,915 of the estimated project cost.

Memo to Finance Committee
June 20, 1991

Recommendation: Approval of the Department's request for release of reserve of \$1,060,775 is a policy decision for the Finance Committee.



Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Shelley
Supervisor Hallinan
President Ward
Supervisor Achtenberg
Supervisor Alioto
Supervisor Britt
Supervisor Hsieh
Supervisor Kennedy
Supervisor Maher
Supervisor Migden
Clerk of the Board
Legislative Policy Analysts
Chief Administrative Officer
Controller
Sam Yockey
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

25
91
C A L E N D A R
SPECIAL MEETING OF
FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

MONDAY, JUNE 24, 1991 - 10:00 A.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN

CLERK: JONI BLANCHARD

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

1. File 12-91-26. [S.F. Bay Area Poison Control] Resolution urging Alameda, Contra Costa, Del Norte, Humboldt, Marin, Mendocino, Napa, San Mateo and Sonoma Counties to identify funding sources to assist in funding the San Francisco Bay Area Regional Poison Control Center and urging the Director of the Department of Public Health to utilize SB 12 EMS discretionary funding to ensure continued access to poison control services for San Franciscans. (Supervisor Shelley)

ACTION:

2. File 13-91-14. Hearing to consider family planning cuts in Federal funding. (Supervisor Shelley)

ACTION:

DOCUMENTS DEPT.

JUN 21 1991

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Board of Supervisors
City Hall, Room 235
San Francisco, CA 94102

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CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

June 21, 1991

TO: Finance Committee

FROM: Budget Analyst

SUBJECT: June 24, 1991 Special Finance Committee Meeting

DOCUMENTS DEPT.

JUN 24 1991

SAN FRANCISCO
PUBLIC LIBRARY

Item 1 - File 12-91-26

The proposed resolution would urge Alameda, Contra Costa, Del Norte, Humboldt, Marin, Mendocino, Napa, San Mateo, and Sonoma Counties to assist in funding the San Francisco Bay Area Regional Poison Control Center, and urge the Director of the Department of Public Health to utilize SB 12 Emergency Medical Services (EMS) discretionary funding to ensure continued access to poison control services for San Franciscans.

San Francisco contributes 47 percent of the Center's FY 1990-91 operating costs. Although all of the above listed nine counties use the Poison Control Center's Services, only Alameda County currently contributes to its costs. However, Alameda County does not contribute in proportion to its use of the Center. This resolution would urge the nine counties to utilize EMS funds to support the Poison Control Center in proportion to their use of the Center.

In 1989, under SB 12, the State established the Emergency Medical Services Fund, to be used by counties for emergency medical services. 17 percent of these funds are to be spent at the discretion of each counties' Director of Public Health. This resolution would urge the counties to use their EMS funds to help support the Poison Control Center, and would further urge the San Francisco Director of Public Health to utilize SB 12 discretionary funding to support the Poison Control Center.

The proposed legislation also identifies SB 2263 as a potential source of funding for the Poison Control Center's hazardous materials program. Dr. Kent Olson of the Poison Control Center reports that SB 2263 is a means for counties to tax businesses and use the tax revenue for provision of 24-hour hazardous material information.

Comments

1. The Poison Control Center, located at San Francisco General Hospital, provides 24-hour poison control information and advice to the public, medical facilities, and emergency service providers such as paramedics, police, and toxic clean-up crews. In addition to the poison control information line, the Center provides poison prevention services such as first-aid cards and brochures, and hazardous materials services such as a Statewide hazardous materials hotline, printed materials, and paramedic training.

2. According to the proposed resolution, the number of calls the Center has received from persons who have been exposed to poisons has more than doubled in the past six years, from 23,632 in 1985 to 47,923 in 1990. National standards recommend that the Center employ 13.5 poison control specialists per 47,000 exposure calls. However, the Center employs only 10 poison control specialists.

3. In 1990-91, 22.5 percent of the calls received by the Center were from San Francisco residents. The City provided \$494,000, or over 47 percent of the Center's \$1,047,100 total operating costs in fiscal year 1990-91. These City funds support the salaries and fringe benefits of seven 2454 Clinical Pharmacist positions. Dr. Olson reports that \$553,100, or the balance of the cost to operate the Center, came from the University of California at San Francisco, Alameda County, the State, hospitals, and individual donors. \$241,927, or approximately 23 percent of the total funds came from the State Emergency Medical Services (EMS) Authority funds. Funds from the State EMS to the Center have not increased since 1981, and are anticipated to decrease by \$9,677 to \$232,250, in 1991-92 as a result of the State's budget shortfall.

4. Without any reductions, the Center's total projected operating budget for FY 1991-92 would be \$1,050,600. \$473,850 of the Center's revenues are anticipated from the State, private donations and fees, hospital memberships, and UCSF, leaving \$576,750 to be funded from the counties. Each county's share, if they contribute in proportion to residents' use of the Center, would be as follows:

Finance Committee Meeting
June 24, 1991 Special Finance Committee Meeting

| <u>County</u> | <u>Percentage of Calls Made by County Residents*</u> | | <u>Amount</u> |
|------------------|--|---------------|---------------|
| Alameda | 26.1 | | \$134,107 |
| Contra Costa | 16.6 | | 85,418 |
| Del Norte | 0.7 | | 3,727 |
| Humbolt | 3.2 | | 16,000 |
| Marin | 7.2 | | 37,127 |
| Mendocino | 2.2 | | 11,316 |
| Napa | 1.9 | | 10,005 |
| San Mateo | 10.6 | | 54,045 |
| San Francisco | | | |
| Information Line | 22.5 | \$115,639 | |
| Special Services | | <u>62,000</u> | |
| Total S.F. | | | 177,639 |
| Sonoma | <u>9.1</u> | | <u>46,766</u> |
| TOTAL | 100 | | \$576,750 |

*Percentage includes proportion of unknown callers

5. Alameda contributed \$82,750 to the Poison Control Center in FY 1990-91, and plans to contribute the same amount in FY 1991-92. As noted above, it should be contributing \$134,107. San Francisco proposes to contribute \$105,202 from the General Fund, and the DPH is currently examining whether \$72,437 from EMS discretionary funds could be appropriated, for a total of \$177,639. The amount from San Francisco, if fully funded, would be in accordance with the above plan. This would put the total additional amount needed from the nine counties, including Alameda, at \$316,361 (\$576,750 less \$82,750 less \$177,639). This represents approximately 30 percent of the Center's proposed \$1,050,600 operating budget for FY 1991-92. With 70 percent of its total budget intact (assuming San Francisco provides the full \$177,639), the Center could operate for approximately 8½ months at current levels before it would need additional funds from the other counties.

6. The City's proposed contribution of \$105,202 from the General Fund in FY 1991-92 represents a cut of \$388,798 from the City's previous FY 1990-91 \$494,000 grant to the Poison Control Center. It is the proposal of the Health Department to eliminate six of the seven Clinical Pharmacist positions funded by City funds for eleven months of FY 1991-92. According to Ms. Susan Ehrlich of the Department of Public Health, the DPH was required to make substantial cuts in the FY 1991-92 budget. Ms. Ehrlich states that the Department's priorities in making those cuts were to increase revenues, cut administrative costs, and maintain direct services.

7. Ms. Ehrlich reports that the Poison Control Center reduction in General Fund support was originally intended, in the proposed FY 1991-92 budget, to be accomplished by increasing non-City revenue to offset City revenues, as the DPH

believes that all counties which benefit from the Center's services should contribute in proportion to their use.

8. Ms. Ehrlich reports that the DPH is examining whether \$72,437 could be appropriated by the Board of Supervisors from the County's Emergency Medical Services Fund, for a total San Francisco contribution of \$177,639. However, Ms. Ehrlich states that the 17 percent EMS discretionary funds would regularly amount to approximately \$64,260 per year, not \$72,437. Although about \$135,000 has accumulated in the Fund over the last two years, Ms. Ehrlich reports, that account cannot support the Poison Control Center on an on-going basis.

9. Ms. Ehrlich further reports that the San Francisco Director of Public Health has called the Public Health Departments in the nine counties to urge them to contribute to the Center from EMS funds. According to Ms. Ehrlich, there has been limited response to date.

10. The Poison Control Center also serves as a clearinghouse for responding to public inquiries concerning emergencies or potential hazards. According to Dr. Olson, the Center has been discussing with the DPH Toxics Division the possibility of receiving substantial SB 2263 business tax revenue through the Toxics Division to support the Center's hazardous material program. However, the Toxics Division has been unable to collect enough SB 2263 business tax revenue to cover its own operating expenses, and is not in a position to increase funding to the Center at this time, Dr. Olson concludes.

11. The Toxics Division currently provides \$73,053 to the Center for a separate program providing emergency response information on hazardous materials and waste, risk assessments, and information to City departments. This program and its budget are not under consideration.

12. According to a 1991 analysis prepared by the Poison Control Center, for every dollar spent, counties save five dollars in ambulance and emergency room fees for indigent patients. Depending on the proportion of the Center's service recipients who are indigent, the total savings resulting from the Center's services, at a cost of \$1,050,600 per year, could be \$5,253,000. San Francisco's 22.5 percent of that savings for FY 1991-92 would be \$1,181,925.

Recommendation

The proposed legislation is a policy matter for the Board of Supervisors.

Memo to Finance Committee
June 24, 1991 Special Finance Committee Meeting

Item 2 - File 13-91-14

Item: This item is a request to consider the possible family planning cuts in Federal funding.

Description: The United States Supreme Court recently upheld Federal Department of Health and Human Services (HSS) regulations that limit abortion-related activities in projects funded under Title X of the Public Health Service Act. The Court decision specifically upheld an HHS regulation that prohibited the use of Title X funds to pay for abortion and abortion counseling.

Because of the Supreme Court decision, family counseling programs, which rely on Title X funding, may no longer counsel clients to seek or consider abortions, or risk losing their Title X funding.

According to the Department of Public Health, the following four agencies receive both State funding and Title X funding from the Federal Government:

| | <u>Federal Title X Funding</u> | <u>State Funding</u> |
|---|--|--------------------------|
| Planned Parenthood, non-profit agency | \$118,000 | \$352,000 |
| Women's Needs Center, non-profit agency | 80,389 | 145,400 |
| San Francisco General Hospital/ UC San Francisco | 122,938 | 212,000 |
| Department of Public Health | <u>230,062</u> | <u>320,600</u> |
| Total | \$551,389 | \$1,030,000 |

These agencies receive Federal Title X funding through the California Family Planning Council, Inc., which is the agency responsible for disbursing Title X funds. The Department of Public Health reports that these providers presently serve 18,000 women, annually, or approximately 40,000 visits.

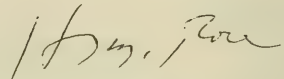
The Department further reports that the California Family Planning Council expects to notify its funded agencies within 60 to 90 days of any impending restrictions on funding.

Memo to Finance Committee
June 24, 1991 Special Finance Committee Meeting

Comments:

1. Mr. Sam Ho, Acting Deputy Director of Community Public Health Services, advises that the State Legislature and the Governor's Office is considering augmenting the State Family Planning budget by approximately \$7 million to cover the possible loss of Federal funds for those agencies that continue to conduct abortion counseling. If the State were to cover the possible loss of Federal funds, Mr. Ho reports that the City could receive up to the full \$551,389 from the State to replace the Federal allocation, assuming each of the four agencies continues abortion counseling.

2. It should also be noted that the four agencies also receive State funding totalling \$1,030,000. These State funds would not be affected by the Supreme Court ruling.



Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Shelley
Supervisor Hallinan
President Ward
Supervisor Achtenberg
Supervisor Alioto
Supervisor Britt
Supervisor Hsieh
Supervisor Kennedy
Supervisor Maher
Supervisor Migden
Clerk of the Board
Legislative Policy Analysts
Chief Administrative Officer
Controller
Sam Yockey
Ted Lakey

10.25

5/91

C A L E N D A R
BUDGET REVIEW MEETINGS
FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, JUNE 25, 1991 - 1:30 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN

CLERK: JONI BLANCHARD

1. File 100-91-1. Hearing to consider the Annual Budget of the City and County of San Francisco for Fiscal Year 1991-92. (Mayor)

General Administration & Finance

70 Chief Administrative Officer
93 Convention Facilities Management
25 Mayor
01 Board of Supervisors
03 City Attorney
08 Treasurer - Tax Collector
09 Controller
91 Purchaser
02 Assessor
78 Recorder
80 Registrar
29 City Planning
37 Permit Appeal
65 Rent Arbitration Board
71 Real Estate
30 Civil Service
33 Health Service System
44 Retirement System

DOCUMENTS DEPT.

JUN 24 1991

Public Protection

10 Superior Court
15 County Clerk
11 Municipal Court
12 Juvenile Court
63 Law Library
72 County Agriculture - Weights & Measures
74 Medical Examiner/Coroner
79 Public Administrator/Guardian
04 District Attorney
05 Public Defender
06 Sheriff
13 Adult Probation
76 Animal Care and Control
31 Fire
38 Police

SAN FRANCISCO
PUBLIC LIBRARY

JUNE 25, 1991
BUDGET REVIEW MEETINGS CONTINUED

Culture and Recreation

| | |
|----|--------------------------------|
| 07 | County Education Office |
| 60 | Academy of Sciences |
| 28 | Art Commission |
| 46 | War Memorial |
| 61 | Fine Arts Museums |
| 62 | Asian Art Museum |
| 41 | Public Library |
| 42 | Recreation and Park Commission |

ACTION:

C A L E N D A R
BUDGET REVIEW MEETINGS
FINANCE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, JUNE 26, 1991 - 1:30 P.M.

ROOM 228, CITY HALL

MEMBERS: SUPERVISORS GONZALEZ, SHELLEY, HALLINAN

CLERK: JONI BLANCHARD

1. File 100-91-1. Hearing to consider the Annual Budget of the City and County of San Francisco for Fiscal Year 1991-92. (Mayor)

Public Works, Transportation and Commerce

- 90 Public Works
- 27 Airport
- 39 Port
- 36 Parking and Traffic
- 75 Electricity
- 40 Public Utilities Commission (PUC)
- 49 PUC Light, Heat and Power
- 32 Hetch Hetchy Project
- 47 Water
- 35 Municipal Railway
- San Francisco Redevelopment Agency

Human Welfare

- 26 Commission on Aging
- 34 Human Rights Commission
- 48 Commission on Status of Women
- 45 Social Services

Community Health

- 83 Public Health Central Office
- 85 Laguna Honda Hospital
- 86 San Francisco General Hospital
- 87 Community Mental Health Services

- 99 Capital Projects

ACTION:

25
BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

June 26, 1991

DOCUMENTS DEPT.

JUN 28 1991

SAN FRANCISCO
PUBLIC LIBRARY

TO: Finance Committee

FROM: Budget Analyst

SUBJECT: June 27, 1991 Special Finance Committee Meeting

Item 1 - File 161-91-4

Department: San Francisco Redevelopment Agency

Item: Approving the budget of the Redevelopment Agency of the City and County of San Francisco for Fiscal Year 1991-92; approving and authorizing an amendment to the Indebtedness Limitation Agreement between the Redevelopment Agency and the City and County of San Francisco; and approving issuance by the Agency of bonds in an aggregate principal amount not to exceed \$50,000,000 for the purpose of financing Redevelopment activities in Fiscal Year 1991-92.

Amount: \$132,160,000

| | | |
|------------------|--|-------------------|
| Source of Funds: | Property Sales | \$71,350,000 |
| | Rental/Leases | 2,404,000 |
| | Prior Year Earnings/Savings | 9,104,000 |
| | Debt Proceeds | 21,150,000 |
| | Developer Continuation | 125,000 |
| | Tax Increment Proceeds: 1989/90 | |
| | and 1990/91 Bonds | 5,655,000 |
| | 1991-92 Tax Increment Bond Requirement | <u>22,372,000</u> |
| | Total | \$132,160,000 |

Note: The SFRA would need a \$22,372,000 Tax Increment Bond to fund proposed FY 1991-92 project expenditures at the requested amount of \$132,160,000.

Memo to Finance Committee
June 27, 1990 Special Finance Committee Meeting

Description: The San Francisco Redevelopment Agency has proposed a \$132,160,000 budget for 1991-92 as follows:

| | |
|-------------------------------------|-------------------|
| Legal Services | \$ 525,000 |
| Planning | 1,417,000 |
| Acquisition | 4,150,000 |
| Public Improvements | 60,930,000 |
| Architecture and Engineering Design | 4,776,000 |
| Construction Monitoring | 1,083,000 |
| Relocation | 482,000 |
| Property Maintenance | 856,000 |
| Housing Assistance | 3,789,000 |
| City-Wide Housing Fund | 8,019,000 |
| Employment Business Development | 1,046,000 |
| Small Business Development | 6,804,000 |
| Debt Service | 10,837,000 |
| Restricted Funds | <u>18,382,000</u> |
| Subtotal | \$123,096,000 |
| | |
| SFRA Personnel Costs | 7,337,000 |
| Administrative Overhead Costs | <u>1,727,000</u> |
| Subtotal | 9,064,000 |
| | |
| TOTAL | \$132,160,000 |

A description of major project activities and anticipated accomplishments, and the assignment of personnel and administrative costs for each project for 1991-92 are as follows:

Yerba Buena Center \$85,904,000

Begin construction of the Yerba Buena Gardens and continue construction of the cultural facilities. SFRA will also design and begin construction of the children's uses on the rooftop of the Moscone Center. Conclude negotiations with YBG Associates to achieve a schedule for the completion of the retail, amusement, recreation and entertainment uses on Central Block 2 early in 1993. Also begin construction on the supermarket with housing, the restaurant with neighborhood-serving retail, office building and the Museum of Modern Art.

BOARD OF SUPERVISORS
BUDGET ANALYST

Rincon Point - South Beach / SB Harbor \$12,673,000

Construction on Site K of 108 units of affordable family housing by the Bridge Housing Corporation. Execution of an agreement with the Reliance Development Group for the development of 420 housing units along with the restoration of the landmark Oriental Warehouse building for parking and commercial use. Continue acquisition and assemblage of properties on Site C-1 and subsequent disposition for site development (this development will include the obligation of the developer for the purchase, development, and maintenance of Rincon Point Park). Complete an additional 10 percent of street improvements under Community Facilities District No. 1, and complete the reconstruction of the Pier 42 Bulkhead Building on Pier 40.

Western Addition A-2 \$4,614,000

Complete construction of the 1,113 unit Fillmore Center Developers mixed-use project and 30,000 square foot community center building. Complete construction of 156 unit Webster Tower and Terraces development. Complete construction activities on the Western Addition Senior Citizens Center and 53 market-rate condominiums on McAllister Street near Fillmore. Begin construction of 102 residential condominiums and 41,000 square feet of retail space by Fillmore Renaissance on Parcel 732-A

Hunters Point-India Basin Industrial Park \$2,303,000

Complete construction of 77 affordable ownership housing units and begin construction of 37 other affordable ownership housing units. Enter into a Land Disposition Agreement for approximately 50 units of affordable housing and a small retail center on the Hunters Point School II site. Enter into exclusive negotiation for the development of Site DD-2 (1.7 acres). Continue to provide assistance to India Basin Industrial Park.

City Wide Housing Program \$10,751,000

Continue program as jointly administered with the Mayor's Office. The allocation of funds for each program category may be adjusted depending on need, but the overall program allocations less personnel and administration costs would be as follows:

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
June 27, 1990 Special Finance Committee Meeting

| | |
|--|--------------------|
| Rental Housing Acquisition Prog. | \$2.5 million |
| Rental Housing New Construction | 2.5 million |
| Housing for Homeless | 1.0 million |
| Landbanking | 1.5 million |
| Pre-development Loan Program | 0.5 million |
| Relocation Assistance | 0.2 million |
| Non-Profit and Tenant Purchase of at-Risk Federally Subsidized Devel. | <u>1.8 million</u> |
| Total | \$10.0 million |

South of Market (SOM) \$6,195,000

Acquisition of approximately 2-3 family housing development sites for disposition to non-profit housing development groups to develop approximately 100 units of family housing. Acquisition of a site for the development of approximately 125 single room occupancy units. Complete business loans to 15-20 existing and new businesses. Create 100 new jobs of which 80 would be for SOM residents. Initiation of street improvements on several residential alleys and provide street renovations on Sixth Street.

South Bayshore \$929,000

Continue implementation strategy for the proposed project area. Initiate the Agency/City process for creation of a project area. Acquire Navy Road property for development of affordable housing.

Economic Development Program \$8,466,000

Continue efforts to promote small, particularly for minority, business development and expand employment opportunities, particularly for unemployed individuals. Continue economic development planning for the Naval Shipyard in the Hunters Point/South Bayshore area. Establish a \$2 million Chinatown Community Economic Development Program to promote and enhance community economic development in Chinatown.

Central Relocation Services \$325,000

Provide rehousing assistance services to approximately 625 displaced households. Administer rehousing payments through the Special Temporary Rent Assistance Program (STRAP) and coordinate approximately 80 inspections of replacement housing.

Total FY 1991-92 Program \$132,160,000

BOARD OF SUPERVISORS
BUDGET ANALYST

The SFRA has also submitted a separate budget for the FY 1991-92 operations of the Center for the Arts at Yerba Buena Gardens whose responsibilities will include the operations of the Cultural Facilities in Yerba Buena Center. The Center's proposed budget for 1991-92 of \$1,629,000 is funded from a portion of the Marriot Hotel Lease payment to the SFRA. Lease payment revenues which are not included in the Center for the Arts budget are to be reserved for the future maintenance and security of the Yerba Buena Gardens. The current Marriot Hotel Lease payment of \$2,748,000 is to be distributed as follows:

| | |
|--|----------------|
| Center for the Arts 1991-92 Operating Budget | \$1,629,000 |
| Reimbursement of SFRA Previous Advance to | |
| Center for the Arts | 168,000 |
| Reserve funds for future maintenance and | |
| Security Costs | <u>951,000</u> |
| Total | \$2,748,000 |

The proposed legislation would also approve and authorize an amendment to the Indebtedness Limitation Agreement between the SFRA and the City. This agreement authorizes the SFRA to claim \$2,208,000 annually from the 1991 Tax Increment Bond and limits the SFRA to a cumulative annual tax increment payment of \$7,862,000 per its statement of indebtedness to be filed by October 1, 1991. The \$7,862,000 payment would be distributed as follows:

| | |
|----------------------------------|------------------|
| 1989-90 Tax Increment | \$3,256,000 |
| 1990-91 Tax Increment | 2,263,000 |
| 1990-92 Tax Increment (Proposed) | <u>2,208,000</u> |
| Subtotal | \$7,727,000 |
| South Beach Harbor Tax Increment | <u>135,000</u> |
| Total | \$7,862,000 |

The proposed legislation would finally approve the issuance of bonds in an aggregate principal amount not to exceed \$50,000,000 for the purpose of financing 1991-92 redevelopment activities. Two bonds plus administrative costs totalling \$44,972,000 have been identified as follows:

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Finance Committee
June 27, 1990 Special Finance Committee Meeting

| | |
|------------------------------|------------------|
| 1991-92 Tax Increment Bond * | \$22,372,000 |
| Issuance Cost | 500,000 |
| Reserve | <u>1,900,000</u> |
| Subtotal | \$24,772,000 |

| | |
|---|------------------|
| YBC Series B Bonds Central Block No. 2, Construction of Bridges and Edge of Esplanade | \$16,500,000 |
| Issuance Cost | 500,000 |
| Capitalized Interest (1st Year) | 1,600,000 |
| Reserve | <u>1,600,000</u> |
| Subtotal | \$20,200,000 |

| | |
|-------|--------------|
| Total | \$44,972,000 |
|-------|--------------|

* 20% of this amount or \$4,474,400 is the State mandated set-aside for low and moderate income housing.

Comments:

1. The Budget Analyst has recommended additions to the SFRA FY 1991-92 program revenues and reductions to project expenditures which total \$876,509 as follows:

| | |
|-------------------------------|---------------|
| Additions to Revenues | |
| Bernal Heights Economic Devel | \$100,000 |
| India Basin Legal Costs | <u>15,000</u> |
| Subtotal | \$115,000 |

| | |
|---|----------------|
| Reductions to Expenditures | |
| Delete Executive Secretary II | 39,229 |
| Two Percent Salary Savings | 145,937 |
| Mandatory Fringes | 53,698 |
| Dues and Subscriptions | 7,096 |
| Communication Postage | 10,194 |
| Travel - Local | 9,250 |
| Travel - Out-of-Town | 3,565 |
| Supplies - Mimeo/Printing | 33,950 |
| Lease of Equipment | 16,284 |
| Maintenance of Equipment | 10,050 |
| Advertising | 19,400 |
| Consultant Services - legal and public information | <u>72,000</u> |
| Subtotal | <u>420,653</u> |
| Total | \$535,653 |

As of the writing of this report, these budgetary recommendations are being reviewed by the Finance Committee.

BOARD OF SUPERVISORS
BUDGET ANALYST

2. The recommended savings of \$876,509 would decrease the amount of a tax increment revenue bond needed by the SFRA by \$876,509 and reduce the annual debt to repay the bond over a thirty year period by approximately \$87,235 from \$2,208,000 to \$2,120,765. Over a thirty year period, this amount would total \$2,617,050.

3. The proposed YBC Series B bond identified in this legislation has set aside \$1.6 million in capitalized interest for the bond's first year repayment. Subsequent to that first year, tax increment funding would be used as a bridge for the bond's repayment at an estimated \$1.8 million annually until other YBC land proceeds (East Block 2) are available to amortize the bond. This would increase the tax revenue need for 1992-93 by \$1,800,000 from \$7,862,000 to \$9,662,000. Mr. Robert Gamble of the SFRA has advised that the Indebtedness Limitation Agreement would be amended to clarify the use of tax increment for the proposed YBC construction work.

4. Mr. Gamble advises that during the current year the SFRA Housing Assistance Fund accumulated as of May 1991 a total of \$605,000 in revenue from the interest earned from the fund. These funds have been set aside to assist in the purchase of one of the four Urban Development Action Grant (UDAG) hotels in the North of Market area. The Budget Analyst recommends that the SFRA identify such revenues and intended use, as part of the annual budget process.

5. As part of the Yerba Buena Center Redevelopment Project, the SFRA has an agreement with the Center for the Arts at Yerba Buena Gardens to operate the Cultural Facilities which are to be constructed as part of the development of Central Blocks 2 and 3. The security, maintenance and operation of Yerba Buena Gardens and the Cultural Facilities will be funded by an annual lease payment from the Marriott Hotel and the amount of that payment is determined from a percentage of gross room and entertainment receipts earned by the hotel.

6. The SFRA has submitted the FY 1991-92 budget totaling \$1,648,653 for the Center for the Arts to the Board of Supervisors for their review and approval. To assist in that review the Finance Committee has requested the SFRA and the Center for the Arts to respond to specific questions regarding their program, operations and expenditures. The questions raised by the Finance Committee and the responses to those questions are shown in the Attachment.

BOARD OF SUPERVISORS
BUDGET ANALYST

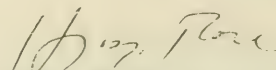
7. The Budget Analyst has also received provisional multi-year projections for the operating revenues and estimated expenditures for the Center for the Arts. We have also been informed that a Strategic Plan has been prepared for the Center. As of the writing of this report, we have not received a copy of the Strategic Plan and are unable to comment on the basis of projected revenues and expenses. The preliminary information provided to us indicates that total expenditures, supported by earned revenue and SFRA contributions, are projected to increase from the current level of approximately \$1.6 million in 1991-92 to \$7.1 million in 1994-95. We are unable to comment on the reasonableness of these projections without further review. In that regard, Mr. Gamble has informed us that the Redevelopment Commission intends to conduct a further detailed review and analysis of the long term plans for operating the Center.

Recommendations: 1. Reduce the proposed 1991-92 San Francisco Redevelopment Agency budget by \$535,653 from \$132,160,000 to \$131,624,347 as identified in Comment 1 and approve the proposed budget as amended. These recommendations are subject to final review and acceptance or rejection by the Finance Committee during the budget review hearings on the Redevelopment Agency.

2. Approve the proposed amendment to the Indebtedness Limitation Agreement between the Redevelopment Agency and the City and County of San Francisco.

3. Reserve \$824,327 (one half of the proposed annual budget amount) for the Center for the Arts 1991-92 Operating Budget pending a review, evaluation and report on the operating plans of the Center by the Redevelopment Commission and pending review of the MBE/WBE status of all contracts.

4. Approve the issuance by the San Francisco Redevelopment Agency of bonds in an aggregate principal amount not to exceed \$50,000,000 for the purpose of financing Redevelopment Agency activities in Fiscal Year 1991-92.


Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Shelley
Supervisor Hallinan
President Ward
Supervisor Achtenberg
Supervisor Alioto
Supervisor Britt
Supervisor Hsieh
Supervisor Kennedy
Supervisor Maher
Supervisor Migden
Clerk of the Board
Legislative Policy Analysts
Chief Administrative Officer
Controller
Sam Yockey
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

**CENTER FOR THE ARTS, Yerba Buena Gardens
RESPONSES TO QUESTIONS BY FINANCE COMMITTEE**

1. What are the specific government, foundation and corporate sources used to raise projected grant income of \$1,470,000?

The "projected grant income of \$1,470,000" is not part of the FY1991-92 budget. It was an early (11/90) estimate in the FY1992-93 budget *when the Center was projecting a 1/1/93 opening date for the facilities* and assuming one-half year of programming activities in FY 1992-93. Projections for FY 1992-93 have changed; fundraising income will be part of a larger, multi-year campaign, plans for which are currently being designed.

2. Explain the justification for the number of positions needed to rent out facility space.

Article 5 of the Operating Agreement between the Operating Board and the San Francisco Redevelopment Agency states that the Center is responsible for "managing, operating, maintaining and programming the Cultural Facilities as first-class facilities and shall do so in a prudent and businesslike manner, consistent with the practices of well-managed, non-profit cultural organizations." The Center's projected structure supports these responsibilities. The number of positions and their anticipated principal duties reflect the practices of other well-managed, non-profit cultural organizations. These include the Walker Arts Center (Minneapolis), primarily a visual arts presenter, and the Wexner Center for the Arts (Columbus, OH), primarily a performing arts presenter. The Center for the Arts at Yerba Buena Gardens will, aside from serving as a rental facility, will present, co-present and produce works by artists across all disciplines, from visual to performing to media arts. Cross discipline collaboration is anticipated to become an essential element of ongoing programming plans.

The following will provide an outline of the principal activities of each department. These responsibilities were undertaken with the initial hire of staff and will rapidly increase in volume by the projected opening date of the Center in fall 1993.

Administration (Projected Full Time Staff in Full Operations - 10) Planning, implementation and oversight of all financial operations of the Center, including budget development, revenue forecasting, cash flow management, financial reporting and purchasing; Planning, implementation and oversight of all personnel functions of the Center, including affirmative action policies, compensation and benefits, labor relations, performance evaluations and grievances; Oversight of all legal matters pertaining to the Center, including contracted services, concession agreements and licensing agreements; Risk management and monitoring of the Center's insurance coverage; Oversight of the Center's box office revenues; Monitoring compliance with the terms of the operating agreement with the San Francisco Redevelopment Agency; Responsibility for union negotiations and union relations.

Programs (Projected Full Time Staff in Full Operations - 5) Developing a program of contemporary, multi-cultural and interdisciplinary arts, giving the institution an artistic identity and establishing the Center as a premier presentation house; Scheduling events in the seven principal venues, developing and constructing programs and series which address the needs and preferences of the Center's various audiences and constituencies; Negotiation of contracts with artists and arts organizations, artists' agents, booking organizations and certain funding agencies.

Page 2

Responses to Questions by Finance Committee

Development/PR & Marketing (Projected Full Time Staff in Full Operations - 9)
Planning with the Development Committee of the Board of Directors, and with Campaign Counsel of an \$10 million capital/inaugural campaign; Establishment and maintenance of development record-keeping system, performing and supervising donor research; Writing grant applications, case statements, grants reports; Developing positive working relationships with foundations, corporate and individual donors; Developing and maintaining the public image of the organization by providing information and monitoring feedback; Establishing and maintaining positive working relationships with print and broadcast media representatives in order to obtain comprehensive media coverage for the Center and its programs; Identification of target markets and audiences for the Center, preparing marketing strategies; Development and implementation of community outreach programs, maintenance of positive relationships with various client groups; Development and oversight of a volunteer program, including training and orientation of volunteers.

Operations/Front of House/Technical (Projected Full Time Staff in Full Operations - 21)
Responsibility for the physical plant of the Center, including oversight of routine and preventive maintenance, major repairs and equipment replacement, space planning, HVAC and climate control systems and permanent signage; Events management, including scheduling, set-up, logistics, ticketing operations, crowd control, event signage, temporary help, clean-up and technical systems operation and storage; Oversight of security within the complex, police relations and emergency planning; Management of the Center's communications systems, including the telephone and intercom systems, computer networks and audio/video systems; Maintenance of supply and equipment inventories; Oversight of the design and construction of the facilities, as representative of the Center in design meetings with the Architecture Department of the Redevelopment Agency; Daily operations of the facilities, including box office personnel, ushers, stage crews, and other production-related personnel.

3. In the 1990-91 operating budget, what is the source of the \$60,000 listed under contributed support?

In our revised FY 1990-91 projections (see APPENDIX III), the \$60,000 income projection for contributed support was deleted. Center for the Arts and its Board have not been able to begin fundraising activities, due to the prolonged uncertainty, from January through May, 1991, about whether the Redevelopment Agency was moving forward on this project. The Board notified the Redevelopment Agency in January 1991 that funds cannot be raised for a project that is in question and that delays in the start of construction would result in delays in the start of fundraising.

Page 3

Responses to Questions by Finance Committee

4. What is the source of the other income projections of \$75,000 in 1993 and \$200,000 in 1994?

The projected other income of \$75,000 in 1993 and \$200,000 in 1994 were interest income projections which were included in an early (11/90) estimate in the FY 1992-93 and FY 1993-94 budgets *when the Center was projecting a 1/1/93 opening date for the facilities*. These projections were based on interest income from available operating funds as well as from the capital campaign funds collected in these years.

5. Under salaries and benefits, the 1990-91 projection of \$441,896 increases by approximately 74% to \$767,502 in 1991-92. Explain the basis for this increase.

The increase in Salaries and Benefits from FY 1990-91 to FY 1991-92 is related to the following: 1) Six additional staff hires; 2) Full year salary projections for the staff hired in mid-year during FY 1990-91; 3) Base salary adjustments in three positions which occurred in FY 1990-91; 4) Merit increases for staff continuing from FY 1990-91; 5) Additional Benefits tied to all of the above salary line increases and additions; 6) Additional temporary help. A detailed breakdown and summary of the above changes is attached (APPENDIX I).

6. Explain the basis of the contractual services which are projected to increase from \$222,408 to \$264,050? What are the specific contractual services that will be retained?

The attached schedule (APPENDIX II) shows the specific contract services we have used in the current year and those we expect to use in FY 1991-92. These services include the services of a professional writer for an update of the strategic/business plan, a facilitator for the annual board retreat, campaign counsel, legal counsel, annual audit by certified public accountants, accounting software consultation, payroll service, janitorial services, computer training for employees, management audit, photography fees, brochure design, brochure printing services, media event production and coordination fees and expenses, graphic design fees and expenses.

7. The FY 1990-91 budget offers a series of projections and actuals as of November 30, 1990. Is there an update available of actual expenditures during the last six months?

The attached Financial Status Report (APPENDIX III) for 5/31/91 includes the most current projection of expenses to fiscal year end (6/30/91). The projected accumulated surplus of \$151,120 will be applied to carry-over Public Relations/Marketing and Development expenses and projected revisions to the FY 1991-92 budget as outlined in the attached schedule (APPENDIX IV).

The ongoing uncertainty about the overall project going forward during the first half of 1991 caused the Center to delay much-needed activity in the areas of program planning and fundraising. There is now an urgent need to proceed with, enhance, or accelerate

Page 4

Responses to Questions by Finance Committee

these activities in fiscal year 1991-92 in order for the facility to open on time. Therefore, the Center is carrying over specific activities that became deferred from FY 1990-91 to FY 1991-92 and is making several needed revisions to its 1991-92 program that will absorb the year-end surplus.

The revisions include accelerated hires of three months apiece for key staff in the Development, PR/Marketing and Program Departments. Additional revisions will include expense lines for the Director of Programs and the Director of Operations and their respective staffs.

The Agency will review the Center's request for carry forward and reprogramming of prior year funds when the budget is closed out in late summer.

8. In the 1990-91 Approved Budget, a total of \$25,000 is to be paid to artists. As of December 1, only \$4,000 had been expended. Will the remaining \$21,000 be allocated for payments to artists or will such monies be allocated for other items?

The FY 1990-91 budget approves \$25,000 for *programming*. By June 30, 1991 (the end of FY1990-91), we will have spent \$19,000 in artists' fees and exhibit expense, including promotional materials. The projected surplus of \$6,000 will be applied to a summer show (7/8-8/30/91) -- Connections in Chicano and Latino Art (10 artists), created to coincide with the SF MOMA Chicano Art show -- added to the Program schedule for FY 1991-92.

9. Six months into the 1990-91 Budget, only \$2,000 was expended of the \$46,000 projected for fundraising expenses. Explain the difference.

Revised FY1990-91 budget projects fundraising expense of \$10,050. (APPENDIX III) The difference is largely related to the delay in beginning fundraising activities (see Question 3); the design and production of the Capital Campaign brochure and associated Campaign costs, totalling \$23,800, had to be deferred from FY1990-91 to FY1991-92. An additional item budgeted under Development -- design and production of the Newsletter -- has since been moved out of the Development budget line and into Public Relations/Marketing projections.

10. What is the basis for the benefits figure of 23%?

The study of our budget by the Management Center (APPENDIX V) corroborates the use of 23% as a benefits calculation:

"Benefits at 23% of salaries is within the range of 22% for the median and 23% for the 75th percentile, for agency budgets over \$5 million in the 1990 Survey..." Salary rates of the Center were also compared with those of agencies with budgets over \$5 million, since the Center staff will soon be responsible for a budget of over \$5 million, upon completion of

Page 5

Responses to Questions by Finance Committee

construction and opening of the facilities. Current benefits include 10% mandated benefits, plus a health and life insurance program and retirement benefits. A breakdown of our benefits projection for FY 92 by % is as follows:

| Mandated Benefits: | | Optional Benefits: | |
|-------------------------|--------|--------------------------|--------------|
| OASDI | 6.20% | Health Insurance | 5.10% |
| Medicare | 1.45% | Retirement Plan | 5.00% |
| Unemployment | 3.40% | Long Term Disability | 0.80% |
| Employment Training Tax | 0.10% | (Proposed) | |
| | | <u>Dental (Proposed)</u> | <u>0.95%</u> |
| Subtotal | 11.15% | Subtotal | 11.85% |

11. In connection with the detailed budget outlining the proposed 1991-92 expenditures, is a detailed plan available for the sources of money to be raised to support the proposed expenditures?

The source of FY1991-92 income is the lease revenue from the Marriott Hotel , per the Operating Agreement with the S.F.Redevlopment Agency.

Section 12.05(f):

"It is the Agency's intention, subject to the availability of funds, to fund the reasonable costs of administering the organization during this pre-completion period [prior to the completion of construction], including staffing, contract services, equipment, supplies, rentals and leases, utilities, insurance and bonds, contingencies and reserves and other necessary expenditures. This funding shall be in consideration of the Operator's work in fund-raising, marketing, public relations, program planning and other activities preparatory to the opening of the Cultural Facilities." The Center will be doing considerable fundraising during this start-up period, but those monies will be devoted to the construction and equipping of the facility, the initiation of a program endowment, and the initial two years programming costs.

APPENDIX I

SALARIES AND BENEFITS

| | FY 91 BUDGET | PROJECTION | FY 92 BUDGET | CHANGE | EXPLANATION |
|--------------------------------|-----------------|------------|-----------------|----------|--|
| Executive Director | 78,750 | 78,750 | 78,750 | | no change |
| Director of Administration | 25,000 | 12,500 | 50,000 | 37,500 | full year salary projection |
| Director of Operations | 16,667 | 29,167 | 50,000 | 20,833 | full year salary projection |
| | | | | 50,000 | new hire |
| Director of Development | 55,000 | 52,000 | 52,000 | | full year, base salary adjustment |
| Development Associate | 25,000 | 23,582 | 28,000 | 4,418 | full year, base salary adjustment |
| | | | | 15,000 | new hire, partial year projection |
| Manager of Institutional Gifts | | | 10,000 | 10,000 | new hire, partial year projection |
| Manager of Individual Gifts | | | 10,000 | 10,000 | new hire, partial year projection |
| Information Systems Manager | | | 18,000 | 18,000 | new hire, partial year projection |
| Business Manager/Controller | 35,000 | 35,000 | 35,000 | | no change |
| Public Relations Assistant | | | 15,000 | 15,000 | new hire, partial year projection |
| Receptionist | 29,000 | 29,000 | 29,000 | | no change |
| Director of Programs | 27,500 | 27,500 | 60,000 | 32,500 | full year salary projection |
| | | | 42,000 | 42,000 | delayed hires, partial year projection |
| Performing Arts Coordinator | 14,000 | 14,000 | | (14,000) | see Program Associates |
| Visual Arts Coordinator | 14,000 | 14,000 | | (14,000) | see Program Associates |
| Film/Video Coordinator | 14,000 | 14,000 | | (14,000) | deleted position |
| Executive Assistant | 27,500 | 22,750 | 26,000 | 3,250 | full year, base salary adjustment |
| | | | 30,000 | 30,000 | new hire |
| | | | 23,000 | 23,000 | 5% of continuing personnel |
| Sub-Total | 323,750 | 352,249 | 611,750 | 259,501 | |
| Benefits | 71,225 | 82,647 | 140,703 | 58,056 | higher base, cost increases |
| Total Personnel Costs | 394,975 | 434,896 | 752,453 | 317,557 | |
| Temporary Help | 3,000 | 3,000 | 11,287 | 8,287 | higher base |
| Overtime | 4,000 | 4,000 | 3,762 | (238) | larger staff support, reduced incurrence |
| TOTAL | | 441,896 | 767,502 | 325,606 | |

NOTE: New Hires in Boldface

SUMMARY OF CHANGES:

| | |
|--|---------|
| Additional Staff | 138,000 |
| Full Year (FY 92)/Partial Year (FY 91) | 98,501 |
| Merit Increases | 23,000 |
| Additional Benefits | 58,056 |

CONTRACT SERVICES

| FY 91 BUDGET | PROJECTION | FY 92 BUDGET | CHANGE | EXPLANATION | |
|-----------------|------------|-----------------|----------|--|--------|
| 7,500 | 7,500 | 10,000 | 2,500 | Business Plan, Strategic Plan, Board Retreat Facilitator | |
| 57,000 | 57,000 | 51,000 | 6,050 | Director of Communications & Staff assume responsibilities | |
| 37,950 | 44,950 | 36,000 | 26,000 | Campaign Counsel Expense | |
| 10,000 | 10,000 | 9,000 | 4,000 | Contract Negotiation, Retained Counsel | |
| 5,000 | 5,000 | 6,000 | 1,200 | Annual Audit, Software Consultation, Payroll Service | |
| 4,800 | 4,800 | 9,200 | 3,450 | Janitorial Services | |
| 1,750 | 5,750 | 8,000 | 1,000 | Employee Training, Group Seminars | |
| 5,000 | 5,000 | 86,850 | 54,850 | Mandated by Operating Agreement | |
| 71,800 | 32,000 | 50,000 | (3,000) | See schedule below | |
| 3,000 | 21,000 | | 29,000 | Incorporated into Advertising & Promotion | |
| 21,000 | 26,408 | | (26,408) | Logo development, fees & expenses | |
| 35,000 | | | | No architectural model services planned for FY 92 | |
| 259,800 | 222,408 | 264,050 | 98,642 | | |
| | | | | ADVERTISING & PROMOTION EXPENSE | |
| | | | | (Total PR/Marketing Budget) | |
| | | | | Photography Fees | 10,000 |
| | | | | PR/Marketing Related Expenses | 10,000 |
| | | | | Informational Brochure (Design & Printing) | 35,000 |
| | | | | Media Events | 24,000 |
| | | | | Press Kits | 7,850 |
| | | | | TOTAL | 86,850 |

CENTER FOR THE ARTS at Yerba Buena Gardens
Financial Status Report
5/31/91

APPENDIX III

| | FY 91 BUDGET | FY 91 YTD ACTUAL | FY 91 - PROJECTION to 6/30/91 | VARIANCE B(W) |
|---|-----------------|------------------------|-------------------------------------|------------------|
| REVENUE | | | | |
| SFRA Funding | 836,900 | 793,900 | 793,900 | (43,000) |
| Contributed Support | 60,000 | | | (60,000) |
| Earned Income | 15,000 | 15,998 | 17,500 | 2,500 |
| TOTAL REVENUE | 911,900 | 809,898 | 811,400 | (100,500) |
| EXPENSES | | | | |
| <u>SALARIES AND BENEFITS</u> | | | | |
| Salaries | 368,417 | 249,686 | 278,778 | 89,639 |
| Benefits | 80,392 | 39,860 | 50,444 | 29,948 |
| Subtotal | 448,809 | 289,546 | 329,222 | 119,587 |
| <u>CONTRACT SERVICES</u> | | | | |
| Management Consultant Fees & Expenses | 7,500 | 6,500 | 3,500 | 4,000 |
| PR Consultant Fees & Expenses | 57,000 | 35,448 | 37,000 | 20,000 |
| Fund Raising Consultant Fees & Expenses | 37,950 | 12,200 | 31,000 | 6,950 |
| Accounting & Legal Fees | 15,000 | 4,750 | 6,000 | 9,000 |
| Architectural Model | 35,000 | 26,471 | 26,500 | 8,500 |
| Office Renovation | | 3,109 | 7,500 | (7,500) |
| Other Fees | 11,550 | 10,205 | 11,000 | 550 |
| Subtotal | 164,000 | 98,683 | 122,500 | 41,500 |
| <u>PROGRAM EXPENSES</u> | | | | |
| Artists' Stipends | 15,000 | 9,550 | 9,650 | 5,350 |
| Exhibit Expenses | 10,000 | 9,373 | 9,400 | 600 |
| Subtotal | 25,000 | 18,923 | 19,050 | 5,950 |
| <u>PUBLIC RELATIONS</u> | | | | |
| | 95,800 | 25,621 | 45,000 | 50,800 |
| <u>DEVELOPMENT</u> | | | | |
| | | 5,162 | 10,050 | (10,050) |
| <u>EQUIPMENT</u> | | | | |
| Computer | 24,475 | 27,817 | 46,500 | (22,025) |
| Office Equipment | 1,600 | 879 | 1,600 | |
| Miscellaneous Equipment | 3,650 | 3,830 | 5,000 | (1,350) |
| Furniture | 9,000 | 3,181 | 5,000 | 4,000 |
| Subtotal | 38,725 | 35,708 | 58,100 | (19,375) |
| <u>SUPPLIES</u> | | | | |
| Office Supplies | 6,000 | 7,954 | 8,500 | (2,500) |
| Copy Machine Supplies | 1,500 | 3,030 | 3,100 | (1,600) |
| Equipment Rental | 3,000 | 2,827 | 3,000 | |
| Subtotal | 10,500 | 13,811 | 14,600 | (4,100) |
| <u>UTILITIES</u> | | | | |
| | 13,000 | 8,116 | 10,000 | 3,000 |
| <u>INSURANCE</u> | | | | |
| | 15,200 | 7,434 | 8,500 | 6,700 |
| <u>MISCELLANEOUS</u> | | | | |
| | 48,000 | 54,539 | 64,000 | (16,000) |
| <u>CONTINGENCY</u> | | | | |
| | 34,361 | | | 34,361 |
| TOTAL EXPENSES | 893,395 | 557,542 | 681,022 | 212,373 |
| EXCESS OF INCOME OVER EXPENSES | 18,505 | 252,356 | 130,378 | 111,873 |
| TRANSFER TO RESERVES | 80,406 | 80,406 | 80,406 | |
| EXCESS OF INCOME OVER EXPENSES AFTER TRANSFERS | (61,901) | 171,950 | 49,972 | |

APPENDIX IV

CENTER FOR THE ARTS at Yerba Buena Gardens Application of Projected Surplus from FY 91 to FY 92

| | | | FY92 TOTAL |
|---|---------|--|----------------|
| SALARIES & BENEFITS | | | 29,800 |
| Includes the following accelerated hires: | | | |
| Manager of Institutional Gifts | | | |
| Manager of Individual Gifts | | | |
| Public Relations Assistant | | | |
| Administrative Assistant - Programs | | | |
| PROGRAMS | | | |
| CONNECTIONS in Chicano and Latino Art | | | 6,000 |
| Program Planning Materials & Supplies | | | 4,000 |
| CONTRACT SERVICES | | | 23,100 |
| Community Outreach Coordinator (Carry over) | 8,100 | | |
| Groundbreaking Events Coordinator | 15,000 | | |
| PUBLIC RELATIONS/MARKETING | | | 50,800 |
| Publicity (Includes Newsletter Expense) | 4,000 | | |
| Press Releases | 2,000 | | |
| Press Conference/Media Events | 5,000 | | |
| Advocacy/Artist Circle | | | |
| (Includes YBG Alliance Expenses) | 10,000 | | |
| Special Events | 10,000 | | |
| Photography | (2,500) | | |
| Informational Brochure (Design/Printing) | 20,000 | | |
| Graphic Design Fees | 2,300 | | |
| DEVELOPMENT | | | 23,800 |
| Case Statement | 20,000 | | |
| Campaign costs | 3,800 | | |
| OPERATIONS - (Miscellaneous Expense) | | | 4,000 |
| Project Related Expenses - Director of Operations | | | |
| SUB-TOTAL | | | 141,500 |
| Transfer to Operating Reserves | | | 4,275 |
| Transfer to Interior Reserves | | | 5,345 |
| TOTAL TRANSFER TO RESERVES | | | 9,620 |

6/25/91

RESERVED FUND BALANCE

| | | | |
|----------------------------------|--------|---------|---------|
| AT BEGINNING OF PERIOD | 69,803 | 101,148 | 101,148 |
| EXCESS OF INCOME OVER EXPENSES | | | |
| AFTER TRANSFERS & RESERVED FUNDS | 7,902 | 273,098 | 151,120 |

sh @ 6/2/91

APPENDIX 5

responsibilities scheduled to be assumed by others of the then larger staff. Under the circumstances, therefore, the rate for the Receptionist is understandable.

Although the "WAGE SURVEY" includes data about job functions in performing and visual/graphic arts, the data is limited and the functions do not appear to be directly comparable to the Center's Director of Programs and Program Associate who have the function of presenting rather than performing or producing. Staff at the Center has collected data from somewhat similar institutions that indicate its program salaries are comparable, and is continuing to augment this database, but the sample size is still small and comparable data may always be difficult to obtain.

Regarding the comparison of salary rates budgeted for the Center for 1991-92 with wage rates included in the 1990 WAGE SURVEY, this is appropriate because the former were the rates actually in effect at the Center on January 1, 1990, the effective date also for the SURVEY. Any increases for 1991-92 are scheduled to be provided from the amount budgeted for "Merit Increases for Returning Staff" of \$23,000, approximately 5% of related salaries.

Although the 1991 WAGE SURVEY has not yet been released, preliminary data indicates that salaries increased by an average of 7% for the nonprofit agencies that responded to the survey, as they have for the past few years. A difference in increase of 2% (5% versus 7%) could add the position of Director of Development to those already inside the median-75th percentile range.

Benefits

Benefits at 23% of salaries is within the range of 22% for the median and 23% for the 75th percentile, for agency budgets over \$5 million in the 1990 Survey. (The average cost of mandated benefits was 10%, to which is added 12% for median optional benefit costs, or 13% for optional benefits for the 75th percentile.)

Temporary Help and Overtime

Budgeting 1.5% of payroll costs for temporary help and 0.5% for overtime appears to be reasonable.

Contract Services

The explanations for contract services budgeted appears to be reasonable for an organization with a stated mission of showcasing the finest cultural groups that is in the beginning of its development and preparing for full operations in the near future. Amounts for fundraising counsel and counsel expenses are scheduled to be discontinued after 1991-92, and amounts for computer training to decrease. Some contract services are mandated by the agreement with the Redevelopment Agency. Expenses for graphic design, advertising and promotion seem reasonable for a new organization with a mission that requires high visibility.

Programs

Expenses for office exhibits and off-site programming appear to be reasonable to demonstrate the capacity to present exhibits and programs and to provide opportunities for the staff to develop teamwork skills.

2

